

## SPECIAL COMMITTEE REPORTS

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

Your Committee on Credentials begs leave to report that it has examined the Certificates of Election of the Senate of the Twenty-Seventh Legislature of the State of Hawaii, Regular Session of 2013, and finds that the following persons have been legally elected and are fully qualified to sit as members of the Senate.

The newly elected Senators whose respective terms of office will expire on November 4, 2014, are:

First Senatorial District

Gilbert Kahele

Third Senatorial District

Joshua Green, M.D.

Fourth Senatorial District

Malama Solomon

Sixth Senatorial District

Rosalyn H. Baker

Seventh Senatorial District

Jamie Kalani English

Twelfth Senatorial District

Brickwood Galuteria

Sixteenth Senatorial District

David Y. Ige

Seventeenth Senatorial District

Clarence Nishihara

Eighteenth Senatorial District

Michelle N. Kidani

Twenty-First Senatorial District

Maile Shimabukuro

Twenty-Third Senatorial District

Clayton Hee

Twenty-Fourth Senatorial District

Jill N. Tokuda

The newly elected Senators whose respective terms of office will expire on November 1, 2016, are:

Second Senatorial District

Russell Ruderman

Eighth Senatorial District

Ronald D. Kouchi

Ninth Senatorial District

Samuel Slom

Tenth Senatorial District

Les Ihara, Jr.

Eleventh Senatorial District

Brian T. Taniguchi

Thirteenth Senatorial District

Suzanne Chun Oakland

Fourteenth Senatorial District

Donna Mercado Kim

Fifteenth Senatorial District

Glenn Wakai

Nineteenth Senatorial District

Will Espero

Twentieth Senatorial District

Mike Gabbard

Twenty-Second Senatorial District

Donovan Dela Cruz

Twenty-Fifth Senatorial District

Laura Thielen

Your Committee on Credentials further reports that it has received Governor's Message No. 502 and has examined the credentials of The Honorable Gilbert Samuel Coloma Keith Agaran and finds that he is fully qualified to fill the vacancy in the Senate, Fifth District, created by the resignation of Shan S. Tsutsui for the Twenty-Seventh Legislature of the State of Hawaii, Regular Session of 2013, whose term of office will expire on November 4, 2014.

Signed by Senators Brickwood Galuteria, Sam Slom, Les Ihara, Jr., and Jill N. Tokuda, members of the Committee.

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

Your Special Committee on Accountability - 02, begs leave to report as follows:

The purpose and intent of this report is to set forth the findings and recommendations of the Special Committee on Accountability – 02 regarding the oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System, including but not limited to the University of Hawaii's Athletic Department.

**I. Background on the Special Committee on Accountability – 02 and Informational Briefings**

On August 29, 2012, pursuant to Senate Rule 20,<sup>1</sup> the Senate President appointed a Senate Special Committee on Accountability (Committee) to conduct an informational briefing or briefings, as may be necessary, to review the oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System, including but not limited to the University of Hawaii's Athletic Department.

The following members were appointed to your Committee:

Senator Donna Mercado Kim, Chair;  
 Senator Jill Tokuda, Vice-Chair;  
 Senator Ronald Kouchi;  
 Senator Les Ihara; and  
 Senator Sam Slom

Other members of the Senate were invited to attend your Committee's informational briefings.

Your Committee invited the following persons to provide testimony:

Eric K. Martinson, University of Hawaii Board of Regents, Chair  
 Carl A. Carlson, Jr., University of Hawaii Board of Regents, Vice-Chair;  
 James H.Q. Lee, University of Hawaii Board of Regents, Vice-Chair;  
 Coralie Chun Matayoshi, University Board of Regents, Member;  
 M.R.C. Greenwood, University of Hawaii, President;  
 Tom Apple, University of Hawaii at Manoa, Chancellor;  
 Virginia Hinshaw,<sup>2</sup> University of Hawaii at Manoa, Former Chancellor;  
 James Donovan, University of Hawaii at Manoa, Director of External Affairs and Community Relations (Former Athletic Director);

<sup>1</sup> Senate Rule 20 states:

The President may appoint a Special Committee on Accountability which shall conduct informational briefings on matters referred to it by Senate Leadership or investigative matters referred to it by single house or concurrent resolutions. The committee shall be composed of not more than five members, unless otherwise ordered by the Senate, and include a member or members of the minority party. The President shall appoint the committee's vice-chair, who may change from time to time, to represent the standing committee having primary jurisdiction over the subject matter referred to the special committee. All requirements of standing committees shall apply to the committee.

<sup>2</sup> Ms. Hinshaw was unable to attend the Committee's informational briefings but did provide answers to the Committee's questions electronically. A copy of Ms. Hinshaw's response is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 3, 2012).

Richard Sheriff, University of Hawaii at Manoa, Manager of the Stan Sheriff Center;  
 Dennis W. Chong Kee, Cades Schutte LLLP (Cades)  
 Calvert G. Chipchase,<sup>3</sup> Cades  
 Robert Katz, Torkildson, Katz, Moore, Hetherington & Harris (Torkildson Firm)  
 Bob Peyton,<sup>4</sup> Bob Peyton Entertainment, an Entertainment Corporation and BPE Productions, Inc.

In addition, your Committee requested that the Board of Regents (BOR), University of Hawaii (University), and its attorneys provide your Committee with certain information and documents.<sup>5</sup>

Your Committee held informational briefings on September 24, 2012, and October 2, 2012. No oral public testimony was permitted; however written testimony was accepted by your Committee.<sup>6</sup> Your Committee received testimony from numerous members of University's faculty, staff, and students, as well as members of the community.

Your Committee's informational briefings were recorded and broadcast live by Olelo. Those recordings will serve as the official record of the informational briefings.<sup>7</sup>

During the informational briefings, your Committee focused on two areas of concern:

- (1) The failed Stevie Wonder Concert<sup>8</sup> and its aftermath, including the reassignment of Donovan from Athletic Director to his current position as Director of External Affairs and Community Relations; and
- (2) Oversight and transparency of the University's fiscal and operational administration, including the role of the BOR.

While your Committee recognizes that the University has general autonomy over its internal affairs, the Legislature has the exclusive jurisdiction to identify laws of statewide concern, which would presumably apply to the University, and the Senate has advice and consent authority and responsibility for the Governor's appointments to the Board of Regents of the University.<sup>9</sup> Your Committee is deeply concerned that the failed Stevie Wonder Concert and its aftermath have caused tremendous public backlash against the University and have tarnished the University's reputation within the State and at the national level. Your Committee Chair had hoped that the BOR would address these issues and concerns openly on its own; however, due to the BOR's failure to do so, the public outcry for answers and accountability from the University, and direct appeals to Senators for a fair and objective analysis of the University's operations and policies, your Committee finds that informational briefings were a necessary effort to restore public trust and confidence in the University by establishing greater transparency and accountability.

## II. Discussion and Findings

In conducting its informational briefings and reviewing the materials provided by the University, your Committee found a number of common themes, concerns, and recurring problems within the University.

### A. University Administration, Personnel, and the Failed Stevie Wonder Benefit Concert

#### 1. Loss of Initial \$200,000 Deposit

##### a. Facilities Use Agreement

In March 2012, Rich Sheriff (Sheriff) was approached by local promoter Bob Peyton (Peyton), head of Bob Peyton Entertainment, and Entertainment Corporation and BPE Productions, Inc., about the possibility of holding a concert at the Stan Sheriff Center (Center).<sup>10</sup>

After some negotiation, the University entered into a Facilities Use Agreement to hold a Stevie Wonder Concert (Concert) at the Center.<sup>11</sup> The Concert was to be a fundraising benefit for the University's Athletic Department.<sup>12</sup>

<sup>3</sup> Mr. Chipchase did not participate in the informational briefings.

<sup>4</sup> Mr. Peyton expressed his interest in speaking with the Committee but was unable to attend the Committee's information briefings due to hospitalization.

<sup>5</sup> Copies of all the documents turned over to the Committee are available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 3, 2012).

<sup>6</sup> Copies of the written testimony submitted to the Committee are available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 3, 2012).

<sup>7</sup> Recordings of the informational briefings are available online at [http://olelo.granicus.com/ViewPublisher.php?view\\_id=13](http://olelo.granicus.com/ViewPublisher.php?view_id=13) (last visited on October 25, 2012), SCA02 Briefing 9/24/12 and SCA02 Briefing 10/2/12.

<sup>8</sup> Refer to the Report of Factfinders Regarding the Stevie Wonder Benefit Concert dated August 21, 2012, from Dennis W. Chong Kee and Calvert G. Chipchase to James H.Q. Lee, Vice-Chair of the University of Hawaii Board of Regents, and M.R.C. Greenwood, President of the University of Hawaii System (Factfinders Report). A redacted version of the Factfinder Report and its Attachments are available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012).

<sup>9</sup> See Article X, Section 6, Hawaii State Constitution.

<sup>10</sup> See Factfinders Report at 16.

<sup>11</sup> *Id.* at 2.

<sup>12</sup> *Id.* at 2. Your Committee questions how much the University's Athletic Department would have really benefited from the Concert since the University was reducing the rental fees it would collect for the use of the Center. Under the hybrid agreement proposed by Sheriff, the rental fee would be reduced to seventy-five percent of the net revenues or ten percent of the gross revenues, whichever was greater. What the Athletic Department would actually have made from the Concert depended highly on ticket sales. See Attachment 43 to the Factfinders Report, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 15, 2012), Factfinders Report-Attachments (9-24-12), University-831-839.

**b. Pre-Sale of Tickets**

Tickets for the Concert were to be pre-sold beginning on June 23, 2012,<sup>13</sup> and the revenue collected from the pre-sold tickets, an amount of \$225,000, was to be used to confirm Stevie Wonder for the Concert.<sup>14</sup>

To protect the University, the Facilities Use Agreement required cancellation insurance and that the University be named as an additional insured.<sup>15</sup> Proof of insurance was supposed to be provided to the University before the pre-sale of tickets commenced.<sup>16</sup> Insurance that would have met the requirements of the Facilities Use Agreement was never obtained.<sup>17</sup>

For reasons that remain unclear, the University started pre-selling tickets to the Concert even though proper cancellation insurance had not been procured.<sup>18</sup> Nobody at the University seemed to have questioned the decision to go forward with ticket sales even though no insurance was in place.<sup>19</sup>

**c. Wiring of the Deposit**

Once the required amount was reached through the pre-sale of tickets, the University was to pay the deposit to Peyton. As testified to at the informational briefings, at the request of Peyton, the payee of the deposit was later changed to Epic Talent, LLC (Epic), the alleged booking agent with which Peyton had been working.<sup>20</sup> In order to meet the deadline to pay the deposit and upon pressure from Peyton, a decision was made to make the deposit via wire transfer to Epic.<sup>21</sup>

A Requisition Form for \$200,000, Wire Transfer Form, Authorization for Payment Form, and proforma invoice were all filled out by various University personnel.<sup>22</sup> The wire transfer request caught the attention of an employee of the Disbursing Office because it was for a prepayment of a large amount of money by wire transfer. In the employee's eight years in the Disbursing Office, he had not seen a University department make that large of a payment to secure a performer or use a wire transfer to secure a performer.<sup>23</sup> However, on June 26, 2012, the wire transfer for the deposit went out.<sup>24</sup>

**d. Cancellation of the Concert**

On July 9 and 10, 2012, the University was contacted by representatives of Creative Artists Agency (CAA), who identified themselves as exclusive agents of Stevie Wonder.<sup>25</sup> CAA informed the University that Epic had no authority to book concerts for Stevie Wonder and that Stevie Wonder was not available for the Concert.<sup>26</sup>

On July 10, 2012, the University cancelled the concert and began refunding purchases of approximately 6,000 tickets.<sup>27</sup>

**e. Lack of Oversight, Due Diligence, and Communication**

Your Committee finds that the lack of oversight and communication among members of the University's Athletic Department, Office of General Counsel, and Disbursing Office contributed to the failure of the Stevie Wonder Benefit Concert and the loss of \$200,000 in deposit money.

In reviewing the Factfinders Report and its attachments, and during the course of questioning testifiers, your Committee is concerned about the lack of due diligence by the University prior to entering into the Facilities Use Agreement, prior to the pre-sale of tickets, and prior to the wiring of the deposit.

As demonstrated in the Factfinders report and testimony to your Committee, the University staff that was involved with the Concert all seemed to believe that it was someone else's responsibility to conduct due diligence and to make sure the University was protected.

While Donovan, who is responsible for the oversight of the Athletic Department, approved going forward with the Concert and had a chance to review the Facilities Use Agreement, he failed to provide any other oversight and left Sheriff to "handle it".<sup>28</sup> Sheriff relayed to your Committee that he was merely the communicator between the University and Peyton and left everything else up to his supervisors. Sheriff's direct supervisors did not provide any oversight.<sup>29</sup> Nobody at the University conducted any due diligence to

<sup>13</sup> See Timeline of Events, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last viewed on October 25, 2012), Briefing Materials (9-24-12).

<sup>14</sup> See Factfinders Report at 2, 22, 24. Your Committee received testimony at the informational briefings that the initial deposit was for \$225,000; however Peyton agreed to borrow and put up a binder in the amount of \$50,000 (\$25,000 for the initial deposit and \$25,000 for the subsequent deposit of \$200,000).

<sup>15</sup> *Id.* at 25.

<sup>16</sup> *Id.* at 25.

<sup>17</sup> *Id.* at 37.

<sup>18</sup> *Id.* at 4.

<sup>19</sup> *Id.* at 28.

<sup>20</sup> *Id.* at 27.

<sup>21</sup> *Id.* at 29.

<sup>22</sup> *Id.* at 30.

<sup>23</sup> *Id.* at 31.

<sup>24</sup> *Id.* at 32.

<sup>25</sup> *Id.* at 5. Your Committee notes that while CAA represented that it was the exclusive agent for Stevie Wonder, other information and statements in the Factfinders Report appear to contradict this. See, e.g., *id.* at 38.

<sup>26</sup> *Id.* at 5.

<sup>27</sup> *Id.* at 39.

<sup>28</sup> *Id.* at 3, 5, 18.

<sup>29</sup> *Id.* at 5.

determine whether Epic was an authorized agent for Stevie Wonder.<sup>30</sup> Nobody took responsibility for allowing the pre-sale of tickets to go forward despite the fact that proper insurance was not in place.<sup>31</sup>

It appears to your Committee that so long as the Office of General Counsel had looked at the Facilities Use Agreement, many testifiers believed no further due diligence was needed.<sup>32</sup> Furthermore, there may have been confusion or misrepresentation regarding the extent of the Office of General Counsel's involvement in the process of organizing the Concert, which may have led some to believe no further due diligence was necessary.<sup>33</sup> Associate General Counsel Ryan Akamine believed his role was only to suggest terms and make sure the wording of the Facilities Use Agreement was legal and not to check whether the promoter and booking agent were legitimate.<sup>34</sup>

Staff in the Disbursing Office relied on others, believing they were only responsible for disbursing the funds if there was proper paperwork and the money was available.<sup>35</sup> As raised during the informational briefings, certain fiscal policies, like the two-day waiting period for wire transfers, were waived. No one made an effort to ensure that the money was being wired to an escrow account with appropriate escrow instructions, so the deposit was ultimately wired to a third party with whom the University did not have a contract.<sup>36</sup> Nobody ensured the terms of the Facilities Use Agreement were being followed.<sup>37</sup>

President Greenwood and Howard Todo, Vice President of Budget and Finance and Chief Financial Officer, first learned about the Concert at different points in time. Upon becoming aware of the Concert, neither one of them followed up on the specifics pertaining to the Concert because they merely hoped that the Concert would take place and that it would be successful.<sup>38</sup> President Greenwood testified to your Committee that at a meeting on July 2, 2012, she asked Todo to investigate the Concert situation further; however in his testimony to the Factfinders, Todo disputes that he received such a request from President Greenwood at that time.<sup>39</sup> Todo testified to the Factfinders that it was not until his attendance at a meeting on July 10, 2012, that he first learned of the Concert problems. Subsequently, President Greenwood asked Todo to track the \$200,000 to see whether it could be recovered, which was also after representatives of CAA contacted the University about the unauthorized Concert.<sup>40</sup>

It appears to your Committee that while each department played a part in trying to help make the Concert happen, the key players within the various departments were not communicating with each other to stop the transaction when certain components were not in place, such as the insurance, and they were relying on others to ensure that all the bases were covered, particularly the legitimacy of the payee.

Ultimately, your Committee finds that those persons in the highest authority over their respective portions of the University failed to perform their oversight duties. For example, Donovan, as Athletic Director, failed to ensure that those working under him conducted the necessary due diligence before entering into the Facilities Agreement and before going forward with the pre-sale of tickets. Hinshaw, who was the Manoa Chancellor at the time, failed to provide oversight over the Athletic Department despite the uniqueness of the Concert. President Greenwood, who is responsible for the entire University System, failed to ensure that checks and balances were in place to ensure the Manoa administration's oversight system was adequate and working. Lastly, the BOR failed to provide sufficient oversight and governance control over the University System.

Despite President Greenwood's claims to your Committee that the University was the victim of a "sophisticated" scam, your Committee believes that there were many opportunities for the University to take a step back and to stop the Concert prior to wiring the \$200,000 deposit. Regardless of the fact that federal authorities have issued an indictment against two defendants in the scam,<sup>41</sup> your Committee believes that proper oversight, due diligence, and communication among University administration and personnel would have presented an adequate number of opportunities to prevent the loss of the \$200,000 deposit. This does not appear to be a "sophisticated" scam. This appears to be a case where any reasonable person doing due diligence could have discovered that it was highly questionable as to whether Epic was a legitimate booking agent for Stevie Wonder.<sup>42</sup> Ultimately, the University's failure to conduct due diligence on this business transaction placed the University in a vulnerable position to be scammed.

## 2. The Aftermath

### a. Press Conference and Fact Finding

On July 11, 2012, one day after the Concert was canceled, the University held a press conference and announced that Donovan and

<sup>30</sup> *Id.* at 4.

<sup>31</sup> *Id.* at 50.

<sup>32</sup> *Id.* at 25, 56.

<sup>33</sup> *Id.* at 27.

<sup>34</sup> *Id.* at 3-4.

<sup>35</sup> *Id.* at 30-31, 55.

<sup>36</sup> *Id.* at 4, 32, 56.

<sup>37</sup> *Id.* at 47.

<sup>38</sup> See Attachment 30 to the Factfinders Report, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 15, 2012), Factfinders Report-Attachments (9-24-12), University-513-21.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

<sup>41</sup> Kakesako, Gregg K. "Federal grand jury indicts 2 men in Wonder blunder case." *Star Advertiser*. November 8, 2012, available at <http://www.staradvertiser.com/news/breaking/177910681.html?id=177910681> (last visited on November 8, 2012).

<sup>42</sup> At the October 2, 2012, information briefing Senator Sлом reported to the Committee that he had travelled to Florida to investigate Epic. See also, Zimmerman, Malia and Dooley, Jim. "On the Trail of the University of Hawaii's Missing \$200,000 . . . in Florida." *Hawaii Reporter*. September 26, 2012, available at <http://www.hawaiireporter.com/following-the-trail-of-the-university-of-hawaiiis-missing-200000-to-north-carolina/123> (last visited on October 16, 2012).

Sheriff were put on paid administrative leave while the University conducted an investigation into the failed Concert.<sup>43</sup>

The University hired Cades to conduct a fact finding investigation of the Concert.<sup>44</sup> However, Cades used attorneys, rather than licensed investigators, who took statements but did not challenge or otherwise qualify the statements and did not even take statements from President Greenwood or General Counsel Darolyn Lendio.

#### **b. Negotiation and Settlement**

On July 16, 2012, Donovan's attorney contacted the University and demanded that Donovan be reinstated as Athletic Director or Donovan would take appropriate legal action.<sup>45</sup> The University then engaged former Attorney General Mark Bennett, currently with the law firm Starn O'Toole Marcus & Fisher, for an amount of up to \$75,000, to negotiate with Donovan.<sup>46</sup>

On August 12, 2012, the University announced that Sheriff and Donovan had been cleared of any wrongdoing, that Sheriff would be reinstated, and that Donovan would be reassigned to a newly created marketing and branding position within the Office of the Chancellor with a salary of \$211,000 per year for three years, despite the fact that the title and job description for this position had not yet been fully developed.<sup>47</sup> At the time, Donovan had approximately eight months left on his contract as Athletic Director.

At the September 24, 2012, informational briefing, when questioned about the removal of Donovan as Athletic Director and the creation of Donovan's new position, President Greenwood testified several times that she received political pressure to keep Donovan as Athletic Director. President Greenwood testified that she was advised by the Governor, who had received input from the Senate President and Speaker of the House of Representatives, that she should keep Donovan as the Athletic Director; however she did not believe that keeping Donovan as the Athletic Director was in the best interest of the University.<sup>48</sup>

#### **c. Fiscal Implications of the Failed Concert**

According to testimony presented at the informational briefings, since Donovan's reassignment, the University has begun the process of hiring a search firm for the price of up to \$90,000 to conduct the search for a new Athletic Director.

In addition, in response to the failed Concert, the BOR has hired KMH, LLP (KMH), for \$50,000 to conduct a review of the University's operational and financial processes.

Your Committee finds that the failure of the Stevie Wonder Concert will likely cost the University and the taxpayers an estimated \$1.1 million at a minimum.<sup>49</sup> The costs incurred by the University include the loss of the initial \$200,000 deposit, costs related to the ticket sales, cost of the Factfinders Report, costs for attorneys to represent the University, payment of Donovan's attorney's fees, Donovan's new salary of \$211,000 per year for three years, cost of a search firm to assist with the hiring of a new Athletic Director, and the costs incurred by the BOR's hiring of KMH to conduct an external audit.<sup>50</sup> Your Committee is also concerned about the BOR and the University administration's penchant for hiring outside legal counsel and others in the aftermath of the failed Concert, in particular, whether the costs of these services are necessary and sufficiently justified.

Your Committee is concerned about the fiscal impact the Concert and its aftermath will have on the University. While some may argue that in the grand scheme of things, \$1.1 million is a small amount of funds for an institution as large as the University, much of these costs could have been avoided had the University done its due diligence and protected the interests of the University in setting up the Concert or appropriately used all of its internal resources that were available, such as the staff of the Office of General Counsel and

<sup>43</sup> A copy of the July 11, 2012, letter from Chancellor Tom Apple to James Donovan is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Briefing Materials (9-24-12), University-3137-38.

<sup>44</sup> See Cades Contract, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Briefing Materials (9-24-12), University-3118-36.

<sup>45</sup> A copy of the July 16, 2012, letter from Donovan's attorney David Simmons to President M.R.C. Greenwood and Chancellor Tom Apple is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Briefing Materials (9-24-12).

<sup>46</sup> See documents bated stamped University-3330 through 3347, turned over as part of the University's Response to Senator Kim's Sept. 26 Information and Document Request, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 10, 2012).

<sup>47</sup> A copy of the Memorandum and Agreement between Donovan and the University (Memorandum and Agreement) is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 10, 2012), Briefing Materials (9-24-12).

<sup>48</sup> On September 24, 2012, the Governor issued the following statement in response to President Greenwood's testimony:

I stated very clearly to President Greenwood that my sole concern was for fairness and even-handedness. I based this concern as the Governor as well as an alumnus and supporter of the University of Hawai'i. I also stressed that any and all decisions made in the wake of the concert failure ensure that all responsible parties be held to account.

The Governor's statement is available at <http://hawaii.gov/gov/newsroom/press-releases/governor-statement-on-senate-hearing> (last visited on November 7, 2012). While the Committee makes no finding on President Greenwood's claim that she was under political pressure to keep Donovan as Athletic Director, your Committee believes that any perceived political pressure does not excuse or mitigate the University's actions, including the actions of President Greenwood, in the way it handled the aftermath of the failed Concert.

<sup>49</sup> A detailed breakdown of the costs used by your Committee to reach the estimated total is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Senate Committee Running Total Cost. Your Committee had requested that the University provide an estimate total of costs; however the University failed to fully respond to this request and when it did respond on October 2, 2012, its response was incomplete and failed to take into account several significant costs.

<sup>50</sup> *Id.*

the University's internal auditors. The costs the University has incurred as a result of the failed Concert affect the University's budget and may negatively impact the University's ability to provide its students with the classes they need to graduate in a timely manner – a goal the University has focused on with its Hawaii Graduation Initiative and “15 to Finish” campaign.

## **B. Oversight and Transparency**

Your Committee is also greatly concerned about the BOR and the University administration's lack of transparency and openness in the aftermath of the failed Concert.

### **1. Open Meetings and Sunshine Law Concerns**

Through the informational briefings, your Committee finds that at times, the BOR appears to have conducted its meetings with a lack of transparency, including the way it handled the aftermath of the failed Concert. For example, during the informational briefings your Committee learned that there was discussion at the July 19, 2012, BOR meeting about the Factfinders Report; however there is nothing on the July 19, 2012, BOR agenda that would provide proper public notice that this issue would be discussed.<sup>51</sup> The agenda makes absolutely no reference to the Concert or any related subject matter.

At the August 22, 2012, BOR meeting, the BOR met for seven hours in Executive Session. Testimony at the informational briefings suggests that the majority of the discussion related to whether the Factfinders Report should be made public. While some of the discussion by the BOR may have been appropriate for an Executive Session, your Committee maintains that much of the discussion could have been held in public yet the BOR did not conduct any discussion relating to the Concert or its aftermath in a public forum.

Your Committee is also concerned about testimony that the BOR Chair, Vice-Chairs, President, and Chancellor Apple have had discussions outside of properly noticed public meetings that do not fall within the permissible interactions set forth in section 92-2.5, Hawaii Revised Statutes (HRS). The BOR Chair and Vice-Chairs have testified to your Committee that they sought advice from the Office of Information Practices (OIP) and believed these communications with the President to be permissible; however, as discussed during the October 2, 2012, informational briefing, your Committee has received informal advice from OIP that such conversations are not permissible under Hawaii's Sunshine Law.<sup>52</sup> Therefore, your Committee finds that members of the BOR may have engaged in conversations, meetings, or both, outside of properly noticed public meetings in violation of Hawaii's Sunshine Law.

Your Committee also finds that the BOR may have taken official action outside a properly noticed public meeting when the former BOR Chair unilaterally transferred authority to President Greenwood to represent the University in the Mountain West Conference. At the informational briefings, your Committee Chair questioned the BOR Chair and Vice-Chairs on how the decision was made to transfer authority from the University of Hawaii at Manoa Chancellor to President Greenwood as the University's representative in the Mountain West Conference. After looking through the BOR's agendas and minutes for the past two years, your Committee Chair could not find any official action taken by the BOR to transfer this authority. Instead, it appears that former BOR Chair Howard Karr unilaterally made the decision to transfer authority to President Greenwood rather than place this decision on the agenda for public discussion and decision making.<sup>53</sup> Your Committee is concerned that such unilateral action may contradict the spirit and intent of Hawaii's Sunshine Law.<sup>54</sup> It is your Committee's hope that such important decision making is not kept from public discourse through unilateral action by the BOR's leadership.

### **2. Open Records Concerns**

In addition, your Committee finds that the University administration may have improperly redacted documents for your Committee's review in violation of Hawaii's Open Records Law.

First, your Committee is concerned about the blanket redaction of the Factfinders Report. At the September 24, 2012, informational briefing, counsel for the University testified that a blanket redaction was done to the Factfinders Report. Counsel also admitted that certain names that should not have been redacted were inadvertently redacted. As raised during the October 2, 2012, informational briefing, your Committee received an informal opinion from OIP that blanket redactions violate Chapter 92F, HRS, Hawaii's Open Records Law. Your Committee has requested that OIP go through the Factfinders Report to make a determination if the University properly redacted the document in compliance with the Open Records Law.<sup>55</sup>

Second, your Committee is concerned that the University has provided your Committee with redacted public documents when it appears that these documents should not have been redacted at all. Your Committee requested the University to provide your Committee with copies of all employee buyout and severance packages for the last twelve years. In response to this request, the University turned over documents that were redacted.<sup>56</sup> As discussed during the October 2, 2012, informational briefing, several of

<sup>51</sup> The BOR Meeting Agendas and Minutes are available at <http://www.hawaii.edu/offices/bor/archive/index.php> (last visited on October 5, 2012).

<sup>52</sup> OIP did acknowledge that the BOR may have been acting in good faith but also may have confused two different possible courses of action or otherwise misremembered OIP's advice.

<sup>53</sup> See documents bated stamped University-2801 through 2802, turned over as part of the University's Response to Senator Kim's Sept. 26 Information and Document Request available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 9, 2012). Your Committee has also requested that the BOR provide the Committee with the specific BOR policy that would allow the former BOR Chair to take unilateral action outside of a properly noticed public meeting.

<sup>54</sup> Your Committee is also concerned that the National Collegiate Athletic Association (NCAA) requires that the Chancellor of the University of Hawaii at Manoa and not the President of the University of Hawaii System to represent the University of Hawaii at Manoa in the Mountain West Conference.

<sup>55</sup> The University provided the Committee with unredacted copies of the Factfinders Report but specifically requested that the Committee not publically release them. The Committee has chosen to honor this request until it receives an opinion from OIP despite Jeffrey Harris' (Torkildson Firm) statement to your Committee on October 2, 2012: “if you disagree with us about the redactions, release them, don't argue with me about our redactions.”

<sup>56</sup> Copies of these documents are available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Buyouts-Severance Packages.

these documents were public documents and this fact was clearly stated within the context of the documents. As your Committee stated at the October 2, 2012, informational briefing, OIP had provided general advice that several of these documents were public documents that should not have been redacted. At the October 2, 2012, informational briefing, the University, through its legal counsel, could not provide sufficient justification to your Committee as to why these public documents had been redacted.

### C. Accountability

Your Committee finds that greater accountability is needed to address not only the failure of the Concert but how the University handled the aftermath of the failed Concert.

#### 1. Inadequate Communication with Stakeholders

Your Committee is especially concerned about how the University administration handled the placement of Donovan and Sheriff on administrative leave during the fact finding investigation by Cades. As raised during the informational briefings, your Committee has serious questions as to whether it was proper for the University to make a public announcement and disregard the privacy interests of Donovan and Sheriff, especially in light of the fact that this likely contributed to the settlement agreement between the University and Donovan. The University also failed to give your Committee a justifiable reason why others who were involved with the Concert were not similarly placed on leave while the investigation was taking place.

In addition, your Committee seriously questions why the BOR did not play a more active role in communicating with the public after acknowledging the cancellation of the Concert. The active role could have entailed assisting with providing satisfactory answers or explanations for the failed Concert and taking a more serious and timely look at the way the University's administration handled the aftermath of the failed Concert.

#### 2. Corrective Actions

At the informational briefings, the President expressed that the University was still looking into the Concert and assured your Committee that although no one had been terminated by the University, there would be consequences. The President also testified that the unusual autonomy and authority granted to the Athletics Department was withdrawn. The President also testified that the job description of the Center's Manager was rewritten to lessen the Manager's power in order to avoid any similar mishaps in the future.

Your Committee also recognizes the BOR Chair's testimony that the Concert, as well as its aftermath, will be addressed by the BOR as part of the President, Chancellor, and General Counsel's personnel evaluations.

While your Committee appreciates these efforts, it is your Committee's hope that the BOR and the University's administration will hold appropriate departments and personnel within the University more accountable for their respective actions to ensure that an incident like the failed Concert never happens again.

### D. Operational Management

#### 1. Failure to Follow BOR Policies

Your Committee finds that the BOR failed to follow its own policies when it did not approve the Memorandum and Agreement (Agreement)<sup>57</sup> between Donovan and the University prior to its execution.

During the informational briefings, your Committee raised the concern that the Agreement between Donovan and the University, whereby Donovan was reassigned from Athletic Director to a new position within the Chancellor's Office, did not follow BOR Policies Section 8-1 because the BOR did not approve the Agreement.<sup>58</sup> Several members of the BOR testified that they were advised

<sup>57</sup> A copy of the Memorandum and Agreement between Donovan and the University (Memorandum and Agreement) is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 10, 2012), Briefing Materials (9-24-12).

<sup>58</sup> Section 8-1 of BOR Policies provides in relevant part:

#### a. General:

Except as otherwise provided herein, the President is authorized to approve, sign, and execute contracts and settlements of claims in accordance with law and Board policy. . . . Should it be determined, in consultation with the Board, that a contract or settlement is anticipated to have a significant impact on policies, programs, or operations; or result in potential institutional liability the prior approval of the Board shall be required regardless of amount and source of funding. The President may delegate authority for the approval, acceptance, signing, and execution of contracts and settlements to other University officials.

\* \* \*

#### d. Settlement Agreements:

All settlement agreements recommended by the University's General Counsel involving payments of \$500,000 or less, or involving workers' compensation claims in any amount and which do not contravene Board policy and do not have a significant impact on policies, programs or operations, shall be approved by the President or the President's designee. Agreements which are anticipated to require changes in Board policies and/or have significant impact on policy, programs, or operations and/or where the Board is named as a party to a suit, shall require the prior approval of the Board regardless of amount. All settlement agreements exceeding \$500,000, except for settlement of workers' compensation claims, shall require the approval of the Board. This requirement may not be circumvented by subdivision of the total amount of the settlement claim. All settlements requiring Board approval shall include a signature line for the Board. (emphasis added)



by the Office of General Counsel<sup>59</sup> that it was not a settlement agreement that required BOR approval. However, your Committee received a letter from the Department of the Attorney General finding that the Agreement was in fact a settlement agreement “because it is an arms length agreement that was negotiated through legal counsel and resolved a legal dispute” and required the BOR’s approval because it also met other criteria specified in Section 8-1 of the BOR Policies.<sup>60</sup> The opinion concludes:

Thus, Mr. Donovan waived and released his claims against the University in exchange for both the payment of his attorney’s fees and his reassignment to a new position and the salary he is to be paid. He did not waive his claims against the University in exchange for the payment of his attorney’s fees alone and the amount the University is to pay under the settlement agreement is both the \$30,000 for Mr. Donovan’s attorney’s fees and his annual salary of \$211,200 for 3 years. As a result, as a settlement agreement exceeding \$500,000, the Jim Donovan settlement agreement required the approval of the BOR according to the BOR’s policies.<sup>61</sup>

The failure of the BOR to approve the Agreement with Donovan was not the only time it appears that the BOR has failed to follow its own policies. Testimony during the October 2, 2012, informational briefing also showed that the BOR did not follow its own policies when it approved the paid professional improvement leave request of former Chancellor Hinshaw. As discussed at the briefing, Chancellor Hinshaw was granted up to ten months of professional improvement leave.<sup>62</sup> However, under BOR policy she was not entitled to any such leave because she had not been serving the University for a period of at least six years.<sup>63</sup> In addition, even if Hinshaw was entitled to any professional improvement leave, she would not have been entitled to the ten months granted by the BOR because BOR policy provides that such leave be paid for one month for every year of service.<sup>64</sup> This would have required Hinshaw to have worked for the University for at least ten years. For whatever reason, the BOR made an exception to its policies and allowed Hinshaw to take professional improvement leave, as well as granting her a tenured position while still paying her at the Chancellor level.

At the October 2, 2012, informational briefing your Committee received testimony that the BOR was told by President Greenwood that if it did not approve the request for Chancellor Hinshaw’s paid professional improvement leave, there might be a lawsuit. In addition, according to testimony presented at the October 2, 2012, informational briefing, at least one Regent questioned the BOR policy requiring the BOR to approve a higher pay level for those granted professional improvement leave.

The BOR made yet another exception to its policies when it approved a five-year contract for Chancellor Apple. During the October 2, 2012, informational briefing, your Committee received testimony that Chancellor Apple’s five-year contract was an exception to BOR policy, which allows for initial appointments of three years.<sup>65</sup> Your Committee also received testimony that at least one member of the BOR felt she had no choice but to approve Chancellor Apple’s five-year contract, which provided for automatic tenure and a salary of about \$102,000 more than that of the previous Chancellor. Since the President had selected and negotiated a package deal with Chancellor Apple, at least one member of the BOR felt that the BOR could not change the terms of the package but could only accept or reject the package. The BOR appears to have accepted President Greenwood’s decision to select and negotiate with Chancellor Apple without requesting information on or considering any of the other candidates.

There appears to be a pattern in which the BOR waives its own policies, resulting in greater costs for the University. While your Committee recognizes the BOR’s authority to create its own policies, your Committee questions why such policies are in place and whether the policies are appropriate when it appears that the BOR either is unfamiliar with its own policies or simply chooses to waive or not follow them on several occasions despite significant fiscal consequences.

## 2. Roles and Responsibilities

Your Committee finds that there is concern about the perceived roles and responsibilities of the BOR and the President, as well as the seeming lack of clear lines of authority between the BOR and the President.

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<sup>59</sup> Your Committee is concerned about the fact that the Office of General Counsel provided the BOR with advice and counsel regarding the Agreement when the University represented to the Committee that the reason the Torkildson Firm and Bennett were hired to deal with matters relating to the Concert and its aftermath was because the Office of General Counsel had a conflict of interest based on its involvement with the Concert.

<sup>60</sup> See Letter dated October 1, 2012, addressed to The Honorable Donna Mercado Kim from Russell A. Suzuki, First Deputy Attorney General. This letter is available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Briefing Materials (10-2-12).

<sup>61</sup> *Id.*

<sup>62</sup> See Letter dated January 11, 2012, from M.R.C. Greenwood, President, to Eric K. Martinson, Chairperson, Board of Regents, turned over as part of the University’s Response to Senator Kim’s Sept. 26 Information and Document Request available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 17, 2012), University-3162-3165.

<sup>63</sup> BOR Policies Section 9-12, Part IV.D states, in relevant part:

Leave may be granted for periods up to twelve (12) months at full pay or twelve (12) months at half pay after six (6) years of full-time continuous service, including creditable service in other Board classifications with total months earned at the rate of one (1) month for each year, up to twelve (12) years of service. Leaves of shorter duration may be granted at the rate of one (1) month of leave for each year of executive or managerial service, after six (6) years of full-time continuous service up to twelve (12) years, including creditable service in other Board of Regents classifications. The total short duration leave taken with pay should not exceed that provided for regular professional improvement leave.

<sup>64</sup> *Id.*

<sup>65</sup> See also, Letter dated May 9, 2012, from M.R.C. Greenwood, President, to Eric K. Martinson, Chairperson, Board of Regents, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last viewed on October 17, 2012), Briefing Materials (10-2-12); see also, BOR Policies Section 9-12, Part II.C.1.a.

The BOR is charged with responsibility over the general management and control of Hawaii's only public institution of higher learning.<sup>66</sup> In confirming the individual Regents to the BOR, the Senate expects the BOR to be diligent in its duties and responsibilities and to question the University's administration when necessary to ensure any actions taken are in the best interest of the University and in furtherance of the University's mission. In questioning the President and certain members of the BOR, it became clear to your Committee that there are serious questions concerning the BOR's independence from the President. For example, during the informational briefings, your Committee discovered that the BOR learned about the University's Agreement with Donovan only one day before the University went public with the information.<sup>67</sup> In addition, your Committee heard testimony that the BOR did not question the Agreement between the University and Donovan. One Regent expressed that she felt that the BOR had no choice but to support the Agreement after the fact or it would be a breach of contract on the University's part. It appears that the University did not seek input or approval from the full BOR before entering into the Agreement.<sup>68</sup>

Your Committee is concerned that the BOR is not given adequate information or time to fully discuss the facts and all available options before voting on important issues. Instead, there appears to be a pattern that BOR decisions are predetermined or made for the BOR ahead of time so that individual Regents have little choice but to go along with the recommendations presented to them.

While your Committee appreciates the efforts of the BOR, it emphasizes that the BOR is the governing body of the University System. The BOR should take an active role in deliberating and making decisions on recommendations made by the University's administration. As part of governing the University System, the BOR should question and hold the University administration accountable when the University's administration takes action that is detrimental to the University. Your Committee is especially concerned about cases where the University administration does not present the BOR with decisions that should be made or approved by the BOR or otherwise fails to provide the BOR with sufficient information to make well-informed decisions. The BOR is charged with holding the University's administration accountable; it should not merely approve all of the University administration's recommendations without conducting its own due diligence.

#### **E. Fiscal Management**

In conducting informational briefings and reviewing the documents provided by the University, it has become apparent to your Committee that the University must examine its fiscal management procedures to ensure that the expenditures of public funds are justified and done in accordance with procurement law.

##### **1. Cost Control and Procurement Concerns**

As discussed earlier, the failed Concert will likely cost the University approximately \$1.1 million dollars at a minimum. First, part of this cost is up to \$90,000 to hire a search firm to assist with the hiring of a new Athletic Director.<sup>69</sup> Your Committee is concerned about the fact that Chancellor Apple sought an exemption to hire a search firm for \$90,000 before members of the search committee, which ultimately would make a decision on whether or not to hire a search firm, had been named. Your Committee is even more troubled by the fact that Chancellor Apple initially denied that this was the case at the October 2, 2012, informational briefing until presented with executed documentation to the contrary.

Second, your Committee has learned through testimony and through its request for documents from the University that from March 2011 through May 2012, the University has spent over \$2.2 million on outside legal counsel. This does not include the \$1.2 million a year budgeted for the Office of General Counsel or costs for outside legal counsel as a result of the failed Concert. For example, the University contracted with former Attorney General Bennett for up to \$75,000 worth of services to negotiate the University's Agreement with Donovan. The University also contracted with Cades for an amount of \$50,000 for its Factfinders Report.<sup>70</sup>

When your Committee questioned the procurement procedures that were followed in contracting with Cades for the Factfinders Report, President Greenwood testified that the University did not have to follow state procurement laws for this matter because the Cades contract fell within an "expert witness exemption." However, as your Committee noted during the September 24, 2012, informational briefing, the State Procurement Office has advised your Committee that Cades is not considered an expert witness and no exemption would apply.

Also extremely concerning to your Committee is the fact that the Torkildson Firm has subcontracted or otherwise consulted with Hoakea Communications, a public relations firm with an existing \$25,000 contract with the Research Corporation of the University of Hawaii (RCUH), to assist the University in dealing with public relations issues stemming from your Committee's informational briefings.<sup>71</sup> It is your Committee's understanding that as part of its scope of duties, Hoakea Communications asked business leaders and others in the community to request that your Committee not hold its informational briefings. Regardless of whether this was considered a subcontract or a consultation, your Committee questions whether it is a proper use of public funds for a public relations firm to be hired to try to stop your Committee from holding informational briefings to seek answers about the failed Concert and examine fiscal and operational issues at the University, especially where the University has its own public relations personnel on staff

<sup>66</sup> See attached State of Hawaii University of Hawaii Organization Chart, available online at <http://hawaii.gov/budget/executivesupplementalbudget/supplementalbudget> (last visited on October 26, 2012), DETAILS OF THE OPERATING AND CAPITAL BUDGET – by Department, p. 918.

<sup>67</sup> Members of the BOR testified that the BOR learned that the University's settlement with Donovan had been executed one day before it was made public.

<sup>68</sup> The BOR did not take any official action on the settlement agreement.

<sup>69</sup> Your Committee acknowledges testimony that the University is trying to raise the \$90,000 through private donations; however your Committee still finds the \$90,000 to be an additional cost, especially if the University is unable to raise adequate funds through private donations.

<sup>70</sup> See Cades Contract, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Briefing Materials (9-24-12), University-3118-36.

<sup>71</sup> Kerr, Keoki, "EXCLUSIVE: To help 43 PR staff, UH hired 2 consultants for \$150,000." *HawaiiNewsNow*. September 27, 2012, available at <http://www.hawaiinewsnow.com/story/19662107/besides-43-public-relations-staff-uh-hired-2-pr-consultants-for-150k?clienttype=printable> (last viewed on October 15, 2012).

with a budget of \$1.2 million.<sup>72</sup> Your Committee has serious questions as to when Hoakea Communications began assisting the University in the aftermath of the Concert and whether it was improperly using its contract with RCUH to engage in a separate scope of work for the University.<sup>73</sup> Your Committee's concerns are compounded by the fact that neither the justification nor the cost for subcontracting Hoakea Communications for this matter has been provided to your Committee.

Your Committee is concerned about the large amounts of money being spent by the University for outside legal and consultant services and hopes the BOR ensures that outside legal counsel and consulting services for which public funds are being spent are justified, effective, and properly procured.

## 2. Quality of Services Procured

In addition, your Committee questions whether the University received quality services for the \$50,000 fee. As noted above, Cades took statements of individuals but did not check the veracity of these statements or address several instances of conflicting statements. In addition, Cades did not question or request statements from President Greenwood or General Counsel Lendio. Chong-Kee testified that he did not believe that President Greenwood was an appropriate witness even though President Greenwood ultimately has oversight over the University's administration. Your Committee disagrees with the fact finders' judgment that President Greenwood was an inappropriate witness: the omission of statements from key administrators such as President Greenwood and General Counsel Lendio, who supervised those directly involved in the Concert, was a major oversight by Cades. Your Committee questions whether the University could have saved at least \$50,000 by allowing the Honolulu Police Department to take witness statements and conduct an investigation.<sup>74</sup>

The University has also contracted with the Torkildson Firm in an amount up to \$25,000 to redact documents and respond to your Committee's request for information. Katz testified before your Committee that the amount the University could ultimately be billed by the Torkildson Firm is more than \$25,000. Your Committee is concerned as to whether the University received legal services worth at least \$25,000. Your Committee's understanding is that the Torkildson Firm was hired to assist the University with responding to the Committee based on its knowledge of privacy laws; however it appears that the Torkildson Firm may not have even considered the law. While the Torkildson Firm testified that the University's Human Resources Department, and not the Torkildson Firm, actually redacted the buyout and severance package documents, your Committee questions why the Torkildson Firm, hired as legal counsel to assist the University in responding to the Committee's request for documents, including the buyout and severance package documents, did not correct any erroneous redactions made by the University or advise the University of potential violations of Hawaii's Open Records Law.

Your Committee also questions the Torkildson Firm's quality of representation in responding to the Committee's request for a running total of how much the Concert and its aftermath has cost the University.<sup>75</sup> The University's answer to your Committee's request was inadequate and not responsive to the question.<sup>76</sup> During the October 2, 2012, informational briefing, when questioned by the Committee about the response, the Torkildson Firm represented that the question was unclear and that they did not understand what the Committee was asking for. Your Committee disagrees with the Torkildson Firm's recharacterization of the question asked by your Committee. On the contrary, your Committee believes that the question was clear and easily understood by a reasonable person and therefore raises the possibility that the Torkildson Firm was instead withholding information from your Committee and the public.<sup>77</sup>

<sup>72</sup> Id.

<sup>73</sup> Your Committee raises this issue because Hoakea Communications has gone on public record stating that it had helped the University in the aftermath of the Concert for two and a half months prior to the end of September 2012, but that its subcontract with the Torkildson Firm started in August 2012. See id.

<sup>74</sup> Your Committee notes that during the September 24, 2012, informational briefing, when asked whether the University made a report to the Honolulu Police Department (HPD) after it was learned the \$200,000 deposit was missing, President Greenwood responded, "Absolutely. We talked directly with law enforcement." However, your Committee contacted the HPD, which confirmed that it was never contacted by the University on this matter. HPD stated that had it been contacted, it would have investigated and taken witness statements. In addition, HPD also stated that if there had been an out-of-state nexus, HPD would have contacted the Federal Bureau of Investigation or Secret Service. See Letter dated September 25, 2012, from Chair Donna Mercado Kim to Chief of Police Louis Kealoha, Letter dated September 27, 2012, from Chief of Police Kealoha to Chair Mercado Kim, available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 15, 2012), Briefing Materials (10-2-12).

<sup>75</sup> See University's Response to Senator Kim's Sept. 26 Information and Document Request available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 5, 2012). Question 1 of the Sept. 26 Information and Document Request asked for:

A complete breakdown of the running total of costs incurred by the University of Hawaii relating to the failed Stevie Wonder Benefit Concert and other relevant costs. Other relevant costs shall include but not be limited to all costs associated with legal services provided, public relations services, and any other services rendered to assist in the preparation and participation in the September 24th and October 2nd informational briefings of this Committee; provided that cost estimates shall be included where actual billings or detailed expenses are not yet available[.]

<sup>76</sup> Id. In response to that question, the Torkildson Firm responded that:

The Agreement for Services produced on Sept. 20, 2012, gave an estimate of 'not to exceed \$25,000' for services and provided a procedure for change orders and price adjustments, if and when circumstances justify them.

<sup>77</sup> Your Committee notes that this same request was made during the September 24, 2012, informational briefing. At that time, no one from the Torkildson Firm or the University asked for clarification of the request or gave any indication that the request was not understood.

### 3. Contract Buyouts

Your Committee also finds that the University should re-examine its practice of providing lucrative buyouts for the termination of executive employment contracts.

Your Committee received documents from the University showing that in the past twelve years, it has paid over \$2.5 million to former executives and coaches in contract buyouts.<sup>78</sup> Some of these buyouts include:

- (1) More than \$1 million to former President Evan Dobbelle;
- (2) \$600,000 to former University Head Football Coach Greg McMackin; and
- (3) \$312,000 to former Athletic Director Herman Frazier.<sup>79</sup>

The University's practice of buying out contracts appears to reward individuals for inadequate performance. Your Committee believes that the University should only consider such buyout provisions under extreme circumstances and that such consideration should first be heavily scrutinized. Your Committee further believes that the University should not be sending the message that it rewards individuals for failing to achieve the obligations of their contract, failing to meet certain standards, or failing to perform certain jobs satisfactorily.

#### F. BOR Operational and Financial Control Improvement Advisory Task Group

Your Committee recognizes that the BOR has approved the creation of an Operational and Financial Control Improvement Advisory Task Group (Task Group). According to the BOR, "[t]he purpose and primary function of the . . . Task Group . . . is to oversee, provide input, monitor activities, and guide the scope of an evaluation and improvement initiative specific to the significant operational and financial processes and related internal controls of the University of Hawai'i. . . ."<sup>80</sup>

Phase One of the Task Group's work will focus on "an assessment and evaluation of the operational and financial processes that resulted in the failed Stevie Wonder transaction."<sup>81</sup> Phase Two will include a review of the University's "operational and financial processes and controls on a system wide basis" as well as making a determination "if the University's current policies (Board, Executive, and Administrative) require clarification and revision with respect to the assignment of responsibility, delegation of authority, and accountability for duties performed by University personnel."<sup>82</sup> A possible Phase Three would look at "comparing higher education operational and financial process 'best practices' to those currently in place at the University."<sup>83</sup>

It is your Committee's understanding that the University has engaged the external audit services of KMH to conduct the evaluation.<sup>84</sup> Since KMH has previously done work for the University and may do work for the University in the future, your Committee notes potentially conflicting interests for KMH: If KMH's assessment reflects negatively on the University or generates findings or recommendations with which the University disagrees, KMH's potential future contracts with the University may be jeopardized. As such, your Committee hopes that KMH can maintain its independence and objectivity during its external evaluation of the University's operational and fiscal practices.

Your Committee also has concerns regarding whether the private sector members of the Task Group may have a conflict of interest since several of these individuals work for accounting firms that have either done work for the University, are currently doing work for the University, or will likely do work for the University in the future.<sup>85</sup> Your Committee hopes these individuals can maintain their independence while participating in the Task Group's work.

Your Committee is also concerned about testimony that members of the Task Group were required to sign a Confidentiality Covenant requiring that they not disclose certain information or face potential civil and criminal penalties. Your Committee questions whether the Confidentiality Covenant is legal and enforceable<sup>86</sup> and, regardless of enforceability, whether a consequence of the Confidentiality Covenant will be to discourage Regents from disclosing any information, including information that is not protected by law from disclosure. As such, your Committee Chair requested an opinion from the Attorney General and guidance from OIP on this matter.

The Attorney General found that while the confidentiality covenant "may not be per se illegal, it is likely to be unenforceable under Hawai'i law to the extent that it is overly broad and inconsistent with the public policy of transparency and accountability declared under HRS chapters 92 and 92F."<sup>87</sup>

Lastly, your Committee looks forward to receiving reports and updates on the findings and outcomes of the Task Group and KMH and hopes that the University will make this evaluation process as open and transparent as possible.

<sup>78</sup> Copies of these documents are available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 4, 2012), Buyouts-Severance Packages.

<sup>79</sup> Daysog, Rick. "Senate panel to investigate UH buyout." *HawaiiNewsNow*. September 26, 2012, available at <http://www.hawaiinewsnow.com/story/19640529/senate-panel-to-investigate-uh-buyouts> (last visited October 10, 2012).

<sup>80</sup> See documents bate stamped University-3173 through 3179, turned over as part of the University's Response to Senator Kim's Sept. 26 Information and Document Request available at <http://www.capitol.hawaii.gov/specialcommittee.aspx?comm=SCA02> (last visited on October 5, 2012).

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

<sup>84</sup> *Id.*

<sup>85</sup> *Id.*

<sup>86</sup> At the October 2, 2012, informational briefing, Vice-Chair Lee testified that he did not know if the Confidentiality Covenant was enforceable.

<sup>87</sup> See Letter dated October 19, 2012, addressed to The Honorable Donna Mercado Kim from Russell A. Suzuki, First Deputy Attorney General.

**III. Recommendations**

Based on the discussion and findings above, your Committee recommends that:

- (1) A request be made to the Legislative Auditor to conduct a financial and management audit of the University System to specifically address the issues and concerns raised by your Committee;
- (2) The legislative committees with jurisdiction over the University determine whether the issues raised by your Committee can be addressed through legislation during the 2013 Regular Session and consider adopting such legislation, including but not limited to whether the process by which the members of the BOR are selected should be amended;
- (3) The legislative committees with jurisdiction over procurement consider examining whether the University improperly used procurement exemptions for services related to legal, consulting, and public relations service contracts or agreements, including but not limited to the University's use of the expert witness exemption in contracting Cades to conduct its fact finding investigation of the failed Concert;<sup>88</sup>
- (4) The BOR undertake a thorough review of its policies and procedures to:
  - (A) Provide clarity over the role and responsibilities of the BOR, President, and Chancellors;
  - (B) Ensure clear lines of authority between the BOR, President, and the individual Chancellors;
  - (C) Ensure that the policies and procedures facilitate the University's mission; and
  - (D) Determine whether the Office of General Counsel should report directly to the BOR while also providing legal services to the University's administration, rather than reporting to the BOR and the University's administration;
- (5) The BOR report to the Committee on the steps taken to complete recommendation (4) and the outcomes of the BOR's review pursuant to recommendation (4);
- (6) The BOR receive training on its policies and procedures;
- (7) The BOR receive annual training on Chapter 92, HRS, Hawaii's Sunshine Law, and Chapter 92F, Hawaii's Open Records Law, in order to ensure openness and transparency;
- (8) The BOR work with OIP to address all concerns raised by your Committee relating to Chapters 92 and 92F, HRS, and correct any violations, including the re-issuing of all documents requested by your Committee with the appropriate redactions, if any;
- (9) The BOR increase its public discussion of important issues during public meetings, to the extent that those discussions are permitted by law, by encouraging individual Regents to state their positions and explain their votes on agenda items;
- (10) Following a meeting in executive session, the BOR report in open session on its discussions in executive session, to the maximum extent permitted by law;
- (11) The BOR improve the thoroughness and clarity of its meeting minutes;
- (12) As part of providing greater openness and public participation, the BOR explore allowing a public comment process as part of the President's evaluation;
- (13) After the completion of the BOR Task Group's work, the BOR submit potential legislation for consideration to:
  - (A) Improve the University's fiscal transparency;
  - (B) Hold appropriate departments and personnel within the University more accountable for their respective actions; and
  - (C) Improve and streamline the University's operational management;
- (14) After the completion of the BOR Task Group's work, the BOR consider external monitoring measures such as follow-up auditing by the Legislative Auditor or the hiring of a master to ensure that the recommendations of the Task Group, KMH, the Legislative Auditor, or others, as appropriate, are implemented in a timely and proper manner;
- (15) Each campus of the University make available on its website an annual statement which itemizes how the campus spends the revenues generated from student tuition in carrying out the operations of each campus, including but not limited to costs of instruction, facilities maintenance, payroll for executive personnel, and payroll for non-executive personnel;
- (16) The BOR submit to your Committee a detailed breakdown of the following:
  - (A) Cost of staffing the Office of General Counsel for the 2012-2013 fiscal year;
  - (B) Projected cost of staffing the Office of General Counsel for the 2013-2014 fiscal year;
  - (C) Amount the University has spent to procure outside legal counsel for the 2012-2013 fiscal year;
  - (D) Projected cost to the University to procure outside legal counsel for the 2013-2014 fiscal year;
  - (E) Cost of staffing the public relations departments of all campuses of the University System for the 2012-2013 fiscal year;

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<sup>88</sup> At the September 24, 2012, information briefing, President Greenwood testified that the University used the expert witness exemption in hiring Cades to conduct its fact finding investigation.

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- (F) Projected cost of staffing the public relations departments of all campuses of the University System for the 2013-2014 fiscal year;
  - (G) Amount the University has spent to procure outside public relations services for the 2012-2013 fiscal year, including any public relations services procured through RCUH; and
  - (H) Projected cost to the University to procure outside public relations services for the 2013-2014 fiscal year, including any public relations services to be procured through RCUH;
- (17) The BOR provide your Committee with the guidelines used by the BOR and the University administration for reviewing all outside legal counsel and public relations contracts, including those public relations contracts procured through RCUH, and determining that the deliverables for those contracts are met; and
- (18) The BOR and the University develop and report to the Committee a plan of action to improve the negative image of the University as a result of the failed Concert, its aftermath, and the findings that have resulted from the Committee's informational briefings; provided that no additional public relations expenses are incurred by the University in carrying out this recommendation.

#### **IV. Conclusion**

Your Committee believes that the recommendations presented above are a starting point for increasing accountability and transparency over the operational and financial management of the University System, as well as a step toward restoring public trust in Hawaii's only public, taxpayer-supported institution of higher learning.

Signed by Senator Donna Mercado Kim, Chair, on behalf of the Committee.

## CONFERENCE COMMITTEE REPORTS

**Conf. Com. Rep. 1 on S.B. No. 1084**

The purpose of this measure is propose an amendment to article X, section 1, of the Hawaii State Constitution to permit the appropriation of public funds for private early childhood education programs to help the State meet its goal of providing an early education system for the children of Hawaii.

Your Committee on Conference finds that high quality early learning programs that are affordable and accessible for all children are critically important for ensuring the success of Hawaii's keiki. In addition, significant, long-term benefits realized through investments in high-quality, early learning systems have been proven through decades of research. Hawaii is one of only eleven states that does not publicly fund early education.

Your Committee on Conference recognizes the need to form public-private partnerships to provide Hawaii's keiki with high-quality early childhood education. This measure will authorize the implementation of S.B. No. 1095, C.D. 1 (2013), to allow the Office on Early Learning to contract with private early learning education programs, which have been the primary providers for early education in our State. This program will assist more children in establishing a solid foundation for success in school and life.

Your Committee on Conference notes that the Department of the Attorney General has affirmed that this measure gives the Legislature the power to determine, by law, the requirements the State may place on private early learning education programs who participate in the State's early education system to ensure that all provisions of the state and federal constitutions and all state and federal laws are followed.

Your Committee on Conference has amended this measure by making it effective upon compliance with article XVII, section 3, of the Constitution of the State of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1084, 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. 1084, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Shimabukuro, Ige, Ihara and Kidani.

Managers on the part of the Senate.

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

Representatives Takumi, Rhoads, Luke, Ohno and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 2 on S.B. No. 1083**

The purpose of this measure is to control school bus vendor costs by exempting contracts for transportation services for school children from wage certification requirements.

Your Committee on Conference finds that the wage certification requirement has made it difficult for bus vendors to make competitive bids to provide transportation services to the Department of Education. Removing this requirement will stimulate competitive bidding, which will help to reduce escalating transportation costs.

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 S.B. No. 1083, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1083, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Dela Cruz, Kidani, Keith-Agaran and Slom.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Keith-Agaran, Slom).

Representatives Takumi, Ing, Takai and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 3 on S.B. No. 48**

The purpose of this measure is amend section 205A-62, Hawaii Revised Statutes, to remove the Department of Education from the list of state agencies with responsibilities relating to marine and coastal zone management.

Your Committee on Conference finds that the Department of Education is required to participate in a number of different boards, commissions, advisory groups, and task forces. These obligations are in addition to its primary duties and may at times absorb time and energy that the Department could otherwise spend advancing its core mission of providing primary education to over 177,000 of Hawaii's keiki.

Your Committee on Conference has amended this measure by reinserting language from this measure as introduced, which removes a representative of the Department of Education from the membership of the Aerospace Advisory Committee.

However, your Committee on Conference notes the Department of Education's willingness to continue to assist the Aerospace Advisory Committee by providing guidance or entering into partnerships to help the Aerospace Advisory Committee promote aerospace development within the State.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 48, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 48, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Espero, Green, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Representatives Takumi, Hanohano, Tsuji, Ohno and Fale.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 4 on S.B. No. 1082**

The purpose of this measure is to repeal statutory language specifying considerations and procedures the Department of Education must follow when contracting for student transportation.

Your Committee on Conference finds that student transportation costs have escalated in recent years. In November 2012, the Student Bus Transportation Study Final Report commissioned by the Department of Education found that, among other things, statutory requirements on contract terms hindered the Department's ability to maximize its resources and set contractual terms to help control escalating costs. This measure will allow the Department of Education greater flexibility in setting contract terms and defining student transportation eligibility parameters to improve delivery of services and contain rising costs.

Your Committee on Conference has amended this measure to make 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 S.B. No. 1082, 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. 1082, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takumi, Ing, Takai and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 5 on S.B. No. 328**

The purpose of this measure is to amend the residential landlord-tenant code to allow a landlord to add to a security deposit an additional amount to pay for damages caused by any animal, other than an assistance animal, allowed to reside in the premises pursuant to a rental agreement.

Your Committee on Conference finds that the existing landlord-tenant code permits a landlord to collect a security deposit in an amount not to exceed one month's rent. Because of the current limit on security deposits, many landlords refuse to rent to pet owners. Your Committee on Conference further finds that this measure would permit the use of pet deposits in rental agreements, thus ensuring that landlords will be compensated for any damage done to a rental unit by a pet animal. This measure also acknowledges that landlords are not permitted to require a security deposit for an assistance animal for a person with a disability, thus conforming to federal and state fair housing laws.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a landlord may collect an additional amount to pay for damages caused by any pet animal, rather than any animal, allowed to reside in the premises pursuant to the rental agreement;
- (2) Clarifying that the additional security deposit for a pet animal shall not be required from any tenant who does not have a pet animal, rather than requiring an additional security deposit for any animal that resides in the premises; and
- (3) Inserting an effective date of upon approval; provided that section 1 of this measure shall apply to all rental agreements entered into on or after November 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 S.B. No. 328, 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. 328, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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



Representatives McKelvey, Rhoads, Brower and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 6 on S.B. No. 502**

The purpose of this measure is to establish a uniform standard of document disclosure for condominium projects, cooperative housing corporations, and other community associations.

Your Committee on Conference finds that establishing a uniform standard of document disclosure for sales of real property involving condominiums, cooperative housing corporations, and community associations will benefit buyers, sellers, and real estate licensees by clarifying which documents and information must be disclosed during sales of real property subject to a recorded declaration.

Your Committee on Conference further finds that the real estate industry needs additional time to make necessary changes to any applicable real estate transaction forms, including the seller's disclosure statement and purchase contract, and conduct the necessary training and education related to the implementation of the new uniform standard of document disclosure as required by this measure. Providing the real estate industry with additional time to update forms and conduct training and education will ensure that buyers and sellers in a real estate transaction have accurate and updated real estate forms and have the opportunity to better understand any changes to the disclosure process.

Accordingly, your Committee on Conference has amended this measure by inserting an effective date of November 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 S.B. No. 502, 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. 502, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Kawakami and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 7 on S.B. No. 507**

The purpose of this measure is to create notice requirements for regular annual meetings and special meetings of a planned community association.

Your Committee on Conference finds that it is appropriate and reasonable for a planned community association to provide notice to its members for specific association meetings. Accordingly, this measure ensures that all members of a planned community association receive notice of any regular annual meeting or special meeting of the association by specifying requirements for the means and content of meeting notices.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the notice requirements under this measure shall be provided to association members by two or more specified means;
- (2) Inserting the posting of the meeting notice in its entirety to the association's website as one of the allowed means of providing written notice to association members; 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. 507, 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. 507, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, McKelvey, Jordan and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 8 on S.B. No. 1066**

The purpose of this measure is to clarify, amend, and correct errors in Hawaii's securities law.

Your Committee on Conference finds that the Hawaii Uniform Securities Act, codified as chapter 485A, Hawaii Revised Statutes, contains some errors and inconsistencies. This measure corrects and clarifies these errors and inconsistencies and has been reviewed by interested stakeholders in the securities industry, including the Securities Section of the Hawaii State Bar Association, the Securities Industry Financial Markets Association, the Financial Planners Association, and the Bankers Association.

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. 1066, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1066, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Har and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Har).

**Conf. Com. Rep. 9 on S.B. No. 84**

The purpose of this measure is to amend the definition of “public housing project” to correspond to the federal Department of Housing and Urban Development’s definition of housing that may be administered by the Hawaii Public Housing Authority; provided that state low-income housing projects are excluded from the definition.

Your Committee on Conference finds that the current definition of the term “public housing project” in section 356D-1, Hawaii Revised Statutes, is inaccurate and overly limiting for the purposes of the federal low-income public housing program. Under the United States Department of Housing and Urban Development regulations, public housing agencies are authorized to administer a variety of federally assisted housing beyond simply “public housing”. Since the Hawaii Public Housing Authority is the only public housing agency in the State, the definition of “public housing” should correspond to the Department of Housing and Urban Development’s definition of housing that may be administered by a public housing agency.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 84, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 84, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, Woodson, Carroll and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 10 on S.B. No. 960**

The purpose of this measure is to establish a notice of postponement or cancellation of sale requirement under part IA, chapter 667, Hawaii Revised Statutes, relating to judicial foreclosures.

Your Committee on Conference finds that pursuant to Act 48, Session Laws of Hawaii 2011, the foreclosing mortgagee in a nonjudicial foreclosure is legally required to provide notice of the postponement or cancellation of the public sale to specific persons. It is prohibited conduct for a foreclosing mortgagee to fail to notify identified persons and entities of the postponement or cancellation of a nonjudicial foreclosure sale. Although the protections relating to the postponement or cancellation of sale apply to nonjudicial foreclosures, there is not a similar requirement for judicial foreclosures under part IA, chapter 667, Hawaii Revised Statutes.

Your Committee on Conference further finds that this measure applies the existing protections for nonjudicial foreclosures to mortgagors and borrowers involved in the judicial foreclosure process. The timely notice required by this measure is intended to help homeowners avoid severe financial penalties which could result from a cancelled foreclosure sale the homeowner knew nothing about.

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. 960, 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. 960, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Rhoads, Kawakami and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 11 on S.B. No. 1196**

The purpose of this measure is to enhance enforcement of state tax law by making receipt and record keeping requirements applicable to all taxpayers who conduct business transactions under the general excise tax law, instead of only those who conduct more than ten taxable business transactions per day. The measure provides an exception for casual sales.

Your Committee on Conference finds that under existing law, taxpayers can claim they have not conducted more than ten daily transactions, regardless of the number of actual transactions, and thus are exempt from the record keeping requirements for all cash-based business transactions conducted each day. Removing the exemption will ensure that cash-based businesses more accurately document all transactions, other than casual sales. Your Committee on Conference believes that this measure will assist the Department of Taxation in effectively enforcing the State's tax laws.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 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 S.B. No. 1196, 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. 1196, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Tsuji, Tokioka, Onishi and Cheape.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 12 on S.B. No. 1207**

The purpose and intent of this measure is to exempt all work involving submerged lands used for state commercial harbor purposes from the permit and site plan approval requirements for lands within the conservation district.

Your Committee on Conference finds that the exemption provided by this measure allows the Harbors Division of the Department of Transportation to plan and more effectively and efficiently implement projects in a timely manner to meet the growing needs of the maritime industry. The "just in time" cargo system for Hawaii is dependent upon the state commercial harbors system, as ninety-eight percent of imported goods pass through harbors. Significant impacts to facility operations and delivery of goods can occur if necessary capital projects are not completed or harbor facilities are not maintained or rehabilitated in a timely manner due to unnecessary permit delays.

Your Committee on Conference has amended this measure by:

- (1) Deleting references to state and federal laws or regulations applicable to the United States Army Corps of Engineers;
- (2) Deleting the language requiring that the exemption be applicable to expedite any maintenance work to rehabilitate and upgrade the State's existing commercial harbors system; 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. 1207, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1207, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Solomon, Dela Cruz, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Representatives Yamane, Evans, Aquino and Cheape.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 13 on S.B. No. 995**

The purpose of this measure is to recognize the expanding responsibilities and size of the Agricultural Resource Management Division of the Department of Agriculture by altering the position title of the engineering program manager to the engineering program administrator.

Your Committee on Conference finds that the Agricultural Resource Management Division has expanded significantly since its inception in 1987 and has become the largest land program within the Department of Agriculture. Despite the growth of the Division, however, the managing framework has remained the same. Changing the engineering program manager position to the engineering program administrator position will reflect the increased responsibilities and scope of the Agricultural Resource Management Division and align the position with similar positions within the Department of Agriculture.

This measure has been amended 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. 995, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 995, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Evans, Lowen and Cheape.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 14 on H.B. No. 1207**

The purpose of this measure is to maintain sufficient oversight of the State's Medicaid Program during the implementation of the federal Patient Protection and Affordable Care Act of 2010 by requiring the Department of Human Services to submit interim reports to the Legislature prior to the Regular Sessions of 2015, and 2016, and a final report to the Legislature prior to the Regular Session of 2017 on its program integrity compliance with the federal Patient Protection and Affordable Care Act of 2010 as it relates to Medicaid managed care, fee-for-service, and the children's health insurance program for fiscal years 2013-2014, 2014-2015, and 2015-2016.

Your Committee has amended this measure by changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1207, 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. 1207, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Carroll, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 15 on S.B. No. 3**

The purpose of this measure is to establish a system of nonpartisan primary and general elections for the selection of Office of Hawaiian Affairs Board of Trustees members.

Your Committee on Conference finds that historically, there has been a large pool of Office of Hawaiian Affairs Board of Trustees candidates competing in the general election, resulting in a wide dispersion of votes. Implementing a primary election process will narrow the pool of trustee candidates in the general election and ensure a more democratic process.

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

Signed by the Chairs on behalf of the Committee.

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

Representatives Hanohano, Rhoads, Coffman and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 16 on S.B. No. 407**

The purpose of this measure is to amend statutory provisions relating to the composition and quorum of island burial councils.

Your Committee on Conference finds that some island burial councils are unable to fill certain council seats or unable to make quorum for various reasons. It is necessary to amend the statutory provisions relating to the island burial councils to ensure that island burial councils are sufficiently staffed and able to make critical decisions relating to the care of iwi kupuna. Among other things, your Committee on Conference seeks to ensure that the amendments made by this measure will not affect the validity of decisions being made by current council members.

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

- (1) Clarifying that a member of each council shall include at least one representative "for" each geographic region rather than "from" each geographic region;
- (2) Requiring that a representative from the Kona geographic region on Oahu be included on the Oahu council;

- (3) Clarifying that regional representatives should be selected based on the representatives' understanding of the culture, history, burial beliefs, customs, and practices of native Hawaiians in the region they each represent;
- (4) Deleting the requirement that each list of nominees submitted by the Department of Land and Natural Resources and Office of Hawaiian Affairs to the Governor to fill vacancies on the councils includes at least two qualified nominees for each vacant seat;
- (5) Specifying that the decisions and other actions of each holdover member's council shall not be subject to challenge on the basis that the requirement in section 6E-43.5(a), Hawaii Revised Statutes, that each council include a member who represents each geographic region of the council, has not been met;
- (6) Making the measure effective 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. 407, 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. 407, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Kidani, Keith-Agaran, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Hanohano, Cullen, Evans and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 17 on H.B. No. 1405**

The purpose of this measure is to:

- (1) Require the Public Utilities Commission to include a summary of the power purchase agreements in effect during the fiscal year in its annual report to the Governor; and
- (2) Clarify the use of the public benefits fee under section 269-121, Hawaii Revised Statutes, to support clean energy technology, demand response technology, and energy use reduction, and demand-side management infrastructure.

Your Committee on Conference has amended this measure by changing its effective date to July 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. 1405, 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. 1405, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker and Slom.

Managers on the part of the Senate.

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

Representatives Lee, Kawakami, Lowen and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 18 on H.B. No. 1203**

The purpose of this bill is to provide qualifying criteria to assist with the selection of the Adjutant General and also give preference to candidates with direct experience in supervising or participating in the various state programs that are under the purview of the Hawaii Department of Defense. Specifically, this measure:

- (1) Requires that, in order to serve, continue to serve, or be appointed to serve as Adjutant General an individual must:
  - (A) Hold or have held a commission of at least an 0-5, federally recognized as such, in the National Guard of the armed forces of any state or territory of the United States, or in the armed forces of the United States or a reserve component thereof; and
  - (B) Have served as a commissioned officer in one or more of the armed forces of the United States for a total of at least ten years;
- (2) Provides a first preference for appointment to the position of Adjutant General to a commissioned officer who possesses at least five years of service as an active commissioned officer in the Hawaii National Guard, whether Army, Air, or both;
- (3) Provides a second preference for appointment to the position of Adjutant General to a commissioned officer who has served as an active commissioned officer in the National Guard of the armed forces of any state or territory of the United States, over a commissioned officer in the Armed Forces of the United States or a reserve component thereof; and
- (4) Exempts the sitting Adjutant General from the provisions of paragraphs (1) to (3) above.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date from January 1, 2050, to upon its approval; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1203, 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. 1203, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Galuteria and Slom.

Managers on the part of the Senate.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, none.

Representatives Takai, Ito and Ward.

Managers on the part of the House.

Ayes, 3; Ayes with Reservations (Ward). Noes, none. Excused, none.

**Conf. Com. Rep. 19 on H.B. No. 235**

The purpose of this measure is to expand the definition of “victim” under the crime victim restitution laws to include duly incorporated humane societies or duly incorporated societies for the prevention of cruelty to animals, contracted with the county or State, in order to provide such societies with restitution for reasonable and verified losses suffered.

Your Committee on Conference has amended this measure to provide that duly incorporated humane societies or duly incorporated societies for the prevention of cruelty to animals, contracted with the county or State, shall not receive restitution as a victim for costs that have already been contracted and provided for by the counties or State.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 235, 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. 235, 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 Wooley, McKelvey, Har and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 20 on S.B. No. 1118**

The purpose of this measure is to authorize the Hawaii Public Housing Authority Board of Directors to set the salaries, none of which shall exceed the Governor’s salary, of the Hawaii Public Housing Authority Executive Director, Executive Assistant, Chief Financial Management Advisor, Property Management Branch Chief, Chief Planner, and Redevelopment Officer.

Your Committee on Conference finds that the Hawaii Public Housing Authority, including the salaries of Authority employees, is funded primarily through federal funding or rental receipts. Existing state law establishing the salaries of key employees inhibits the hiring of qualified personnel with skills and expertise that would assist the Authority in fulfilling its duties and responsibilities. Not only will this measure enable the Authority to attract and retain qualified personnel, it will allow the Authority’s Board of Directors to satisfy federal requirements, including providing certification to the federal Department of Housing and Urban Development that the salary of the executive director was established pursuant to a mandatory comparable salary study.

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. 1118, 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. 1118, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Espero, Green, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Cabanilla, Nakashima, Woodson, Jordan and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 21 on S.B. No. 1070**

The purpose of this measure is to:

- (1) Authorize the Commissioner of Financial Institutions to examine and investigate licensees and other persons subject to the mortgage servicer law; and
- (2) Adjust fees for mortgage servicer applications and renewals.

Your Committee on Conference finds that the Commissioner of Financial Institutions regulates mortgage servicers who relay residential mortgage loan payments from a borrower to the owner of the loan or to other third parties, pursuant to the terms of service. This measure enables the Commissioner of Financial Institutions to have the necessary tools to protect consumers and conduct meaningful examinations and investigations of mortgage servicers. This measure also ensures the availability of adequate resources for the effective and expeditious licensing of mortgage servicers, which will promote the interests of consumers and businesses.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Commissioner of Financial Institutions may access, receive, and use specific items deemed relevant by the Commissioner in the Commissioner's investigation or examination of a mortgage servicer;
- (2) Requiring payment of the license renewal fee of \$425, at least four weeks prior to the renewal period for licensure for the following year; 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. 1070, 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. 1070, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 22 on S.B. No. 1071**

The purpose of this measure is to:

- (1) Modernize the State's financial institutions law, codified as chapter 412, Hawaii Revised Statutes; and
- (2) Adjust fees for financial institutions to reflect the additional regulation and monitoring required of the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee on Conference finds that the last comprehensive review of the State's financial institutions law was in 1993. This measure modernizes the financial institution law to reflect changes in federal laws over the last twenty years, including changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This measure also strengthens and clarifies the Commissioner of Financial Institutions' powers to administer and enforce chapter 412, Hawaii Revised Statutes, and adjusts fees to reflect additional regulatory requirements and monitoring required for specific licensees.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of upon approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1071, 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. 1071, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 23 on S.B. No. 1077**

The purpose of this measure is to:

- (1) Repeal the owner-builder exemption for industrial and commercial construction;
- (2) Set forth additional construction, employment, and other requirements for owners and lessees with an owner-builder exemption;
- (3) Prohibit owners and lessees with an owner-builder exemption from being eligible to recover from the contractors recovery fund; and
- (4) Amend penalties for noncompliance with owner-builder exemption requirements.

Your Committee on Conference finds that the owner-builder exemption under chapter 444, Hawaii Revised Statutes, authorizes owner-builders to perform their own improvements and construction without being required to obtain a contractor's license. However, owners often obtain owner-builder permits without having full knowledge of the risks and responsibilities that they assume. For example, owner-builders who hire unlicensed individuals to perform work act as the employer and must comply with employer insurance and tax requirements and follow applicable safety regulations and building codes. Owner-builders who hire subcontractors must hire licensed subcontractors.

Your Committee on Conference further finds that this measure clarifies the responsibilities that are required of owner-builders and improves the ability of the Regulated Industries Complaints Office to investigate possible violations of laws pertaining to owner-builders, thus promoting safety, improving the quality of construction in Hawaii, and reducing unreported cash transactions.

Your Committee on Conference has amended this measure by inserting an effective date of July 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 S.B. No. 1077, 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. 1077, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Evans, Wooley, McKelvey, Lee and Cheape.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Lee, Wooley).

**Conf. Com. Rep. 24 on S.B. No. 1265**

The purpose of this measure is to specify that an owner's agreement to locate and recover property that is presumed abandoned, shall be unenforceable and may be subject to an action to reduce the compensation amount if the agreement provides for compensation exceeding twenty-five percent of the total value of the property.

Your Committee on Conference finds that Act 229, Session Laws of Hawaii 2012, limited compensation for the recovery of property presumed abandoned to ten percent of the total value of the property. Your Committee on Conference further finds that there are valid reasons for establishing a maximum fee structure for professional unclaimed property locators. However, the existing ten percent limit on compensation for recovery creates a barrier for members of the public who wish to hire an attorney to assist with the recovery of unclaimed funds or property. This measure therefore increases the amount of enforceable compensation allowed from ten to twenty-five percent of the total value of the property for all owner's agreements, including agreements with attorneys, to locate, deliver, recover, or assist in the recovery of property that is presumed abandoned.

Your Committee on Conference finds that a cap of twenty-five percent of the total value of the property for owner's agreements to locate and recover property ensures that members of the public are able to retain attorneys to handle the claims process, while also ensuring that the overall fees associated with this process remain at reasonable levels.

Your Committee on Conference also finds that there is merit in allowing judicial discretion to approve owner's agreements with attorneys that provide for compensation that exceeds twenty-five percent, if the agreement is with an attorney to maintain an action in Circuit Court.

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

- (1) Inserting language to specify that an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim is exempt from the application of the entire section 523A-25, Hawaii Revised Statutes;
- (2) Inserting language to specify that an owner's agreement with an attorney to maintain an action in Circuit Court under section 523A-16, Hawaii Revised Statutes, may provide for compensation that exceeds twenty-five percent of the total value of the property only upon approval of the court; and
- (3) Inserting an effective date of July 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 S.B. No. 1265, 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. 1265, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Rhoads, Nishimoto, Ito and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ito).

**Conf. Com. Rep. 25 on H.B. No. 848**

The purpose of this measure is to ensure Hawaii's insurance laws are in compliance with federal health insurance laws by:

- (1) Establishing a uniform network adequacy standard for all health insurers doing business in Hawaii;



- (2) Amending the definition of "small business" for consistency with the federal Public Health Service Act, Health Insurance Portability and Accountability Act of 1996, and Patient Protection and Affordable Care Act; and
- (3) Applying licensing requirements for insurance producers to health maintenance organizations and mutual benefit societies.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions that applied licensing requirements for insurance producers to health maintenance organizations and mutual benefit societies;
- (2) Deleting the requirement that an unaccredited managed care plan be a new entrant to the State in order to demonstrate network adequacy through submitting to the Insurance Commissioner a plan to become accredited by a national accreditation organization;
- (3) Changing its effective date to July 1, 2013; 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. 848, 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. 848, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Galuteria and Nishihara.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Ito, Morikawa and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 26 on H.B. No. 673**

The purpose of this measure is to better address the potential public health and environmental issues related to restricted use pesticides by requiring the Department of Agriculture to publish on its website the public information contained in all restricted use pesticide records, reports, or forms submitted to the Department.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Legislative Reference Bureau to conduct a study on pesticides that includes other states' reporting requirements for certain pesticides;
- (2) Amending its purpose section to conform to its substantive provisions; and
- (3) Changing its effective date to July 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. 673, 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. 673, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Gabbard, Kouchi, Ige and Thielen.

Managers on the part of the Senate.

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

Representatives Wooley, Belatti, Onishi, Ohno and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 27 on H.B. No. 587**

The purpose of this bill is to strengthen Hawaii's law protecting family or household members from physical abuse.

Specifically, this measure:

- (1) Amends the Hawaii penal code to include persons in a dating relationship as family or household members when considering the offense of abuse of family or household members;
- (2) Increases the period of separation from twenty-four to forty-eight hours that a police officer is required to order a person to stay away from a family or household member if the police officer has reasonable grounds to believe that a family or household member is in probable danger of further physical abuse or harm being inflicted by the person; and
- (3) Specifies that the forty-eight hour period of separation referred to in paragraph (2) shall be enlarged and extended to 4:30 p.m. on the first day following a weekend or legal holiday if the incident occurs on such a day.

Your Committee on Conference has amended this measure by changing its effective date from July 1, 2050, 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. 587, 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. 587, 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 Kawakami, Har and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 28 on H.B. No. 805**

The purpose of this measure is to amend the Employees' Retirement System laws to comply with Internal Revenue Code requirements and vesting rules in order to maintain the system's status as a tax-qualified retirement plan.

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. 805, 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. 805, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Hashem, Ichiyama and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 29 on H.B. No. 924**

The purpose of this measure is to increase the efficiency of the Hawaii Labor Relations Board by exempting the Board from the requirement to provide notice of hearings by registered or certified mail and instead requiring notice to be given by first class mail.

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. 924, 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. 924, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Hashem, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Yamashita).

**Conf. Com. Rep. 30 on H.B. No. 1149**

The purpose of this measure is to protect the public against health and safety hazards and to preserve the natural beauty of Hawaii by establishing requirements for the decommissioning of wind energy facilities.

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. 1149, 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. 1149, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Baker, Chun Oakland, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Lee, Kawakami, Cullen, Brower, Coffman and Thielen.  
Managers on the part of the House.  
Ayes, 6. Noes, none. Excused, none.

**Conf. Com. Rep. 31 on H.B. No. 560**

The purpose of this bill is to help improve sustainability, increase food self-sufficiency, and provide those living in housing projects with life skills through the development of urban gardening programs in housing projects. Specifically, this measure authorizes the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority, in consultation with the College of Tropical Agriculture and Human Resources of the University of Hawaii at Manoa, to encourage the development of housing projects that incorporate urban gardening programs by providing incentives.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date from July 1, 2050, 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. 560, 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. 560, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Managers on the part of the Senate.

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

Representatives Cabanilla, Tsuji, Carroll and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 32 on H.B. No. 87**

The purpose of this bill is to ensure public safety at public housing projects. Specifically, this measure:

- (1) Broadens the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of any public housing project after a reasonable warning or request to leave by housing authorities or a law enforcement officer;
- (2) Stipulates that a person who enters or remains unlawfully on public housing project premises after hours shall be guilty of a petty misdemeanor for the first violation and a misdemeanor for a second or subsequent violation;
- (3) Clarifies that the warning or request to leave is not necessary between 10:00 p.m. and 5:00 a.m. at any public housing project that is closed to the public during those hours and has signs of a certain size and placement to provide sufficient notice of the closure; and
- (4) Defines housing authorities.

Your Committee on Conference has amended this measure by:

- (1) Downgrading the specified conduct and circumstances that would have constituted the offense of criminal trespass in the first degree, a misdemeanor, to criminal trespass in the second degree, a petty misdemeanor;
- (2) Clarifying that a police officer, rather than a law enforcement officer, may issue the warning or request to a person to leave the housing project;
- (3) Retaining language providing that no warning or request is necessary when the public housing project is closed and there is signage of a certain size and placement to provide sufficient notice of the closure and placing this language under the offense of criminal trespass in the second degree;
- (4) Placing the definition of housing authorities under the offense of criminal trespass in the second degree; 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. 87, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 87, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Gabbard, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives Cabanilla, Rhoads, Carroll and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 33 on H.B. No. 888**

The purpose of this measure is to provide a more streamlined process for the disposal of property that has been abandoned on or seized in or around any state low-income housing project.

Among other things, this measure:

- (1) Authorizes the Hawaii Public Housing Authority to dispose of abandoned or seized property:
  - (A) That has an estimated value of \$500 or more per item via public auction after public notice; and
  - (B) That has an estimated value of less than \$500 per item as determined by the Hawaii Public Housing Authority without public notice;
- (2) Enables the owner of the abandoned or seized property to repossess the property prior to disposition of the property if the owner provides proof of entitlement and settles all amounts and debts owed to the Hawaii Public Housing Authority; and
- (3) Repeals the current process for disposing of abandoned property left in or about any state low-income housing project through public auction.

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

- (1) Deleting the provision that limited the remedies available to the owners of abandoned or seized property;
- (2) Placing the language creating the new process in a new statutory section and repealing, rather than amending, the statutory section containing the current process for disposition;
- (3) Changing its effective date to July 1, 2013; 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. 888, 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. 888, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, Woodson, Tokioka and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 34 on H.B. No. 1381**

The purpose of this bill is to assist Hawaii's servicemen and servicewomen, and their spouses, when determining qualifications for an occupational license. Specifically, this measure:

- (1) Allows professional and vocational licensing authorities to license nonresident spouses of service members by endorsement or reciprocity if the nonresident military spouse is the spouse of a military member who is a member in good standing in the active or a reserve component of any of the armed forces of the United States and has orders issued by the United States Department of Defense to be stationed in Hawaii for a duration of at least one year;
- (2) Specifies that professional and vocational licensing authorities that consider relevant education, training, or service of a military veteran applicant and determine whether the applicant meets or exceeds the requirements for licensure in Hawaii shall accept the results of the passage of a national or regional exam accepted by statute or rule in the specific licensing area or the equivalent as determined by the licensing authority; and
- (3) Requires a military spouse seeking licensure to provide a certificate or evidence satisfactory to the professional and vocational licensing authority of having passed a national or regional exam or the equivalent to the licensing authority.

Your Committee on Conference has amended this measure by:

- (1) Expanding the ability of the professional and vocational licensing authority to issue licenses by endorsement or reciprocity, as well as temporary licenses, to any military spouse meeting certain specified requirements rather than limiting this provision to nonresident military spouses;
- (2) Specifying that licenses issued to a military spouse by endorsement or reciprocity shall be valid for the same period of time as licenses issued pursuant to Hawaii's laws for the particular profession for which licensure by endorsement or reciprocity is being sought;
- (3) Specifying that a military spouse shall not hold a license by endorsement or reciprocity for a period exceeding five years in the aggregate; and
- (4) Deleting language that:
  - (A) Specified that professional and vocational licensing authorities that consider relevant education, training, or service of a military veteran applicant and determine whether the applicant meets or exceeds the requirements for licensure in Hawaii shall accept the results of the passage of a national or regional exam accepted by statute or rule in the specific licensing area or the equivalent as determined by the licensing authority; and
  - (B) Required a military spouse seeking licensure to provide a certificate or evidence satisfactory to the professional and vocational licensing authority of having passed a national or regional exam or the equivalent to the licensing authority.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1381, 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. 1381, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Baker, Green, Taniguchi and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

Representatives Takai, McKelvey, Cachola, Choy and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 35 on H.B. No. 656**

The purpose of this measure is to effectively harness new or improved approaches, concepts, and initiatives that have the potential to have a positive impact on the cost and quality of health care in the State by temporarily establishing within the Office of the Governor, the Health Care Transformation Program that is specially targeted to initiate a statewide health care transformation.

This measure also requires the Governor to submit a progress report containing the status of the Health Care Transformation Program and a final report on the Health Care Transformation Program, including findings, recommendations, and any proposed legislation, to the Legislature prior to the convening of the 2014 Regular Session and the 2015 Regular Session, respectively.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2013; 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. 656, 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. 656, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Chun Oakland, Thielen and Wakai.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Wakai).

Representatives Belatti, McKelvey, Morikawa and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 36 on H.B. No. 423**

The purpose of this measure is to separate statutes relating to the deregistration of fee time share interests and the voluntary deregistration of fee non-time share interests from the Land Court system in order to make permanent the deregistration and transfer to the jurisdiction of the Bureau of Conveyances of fee time share interests while preserving the current repeal date of December 31, 2014, for voluntary deregistration and transfer of fee non-time share interests.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 423, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 423, S.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, 2. Noes, none. Excused, 1 (Slom).

Representatives Evans, McKelvey, Rhoads, Coffman and Cheape.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 37 on S.B. No. 239**

The purpose of this measure is to:

- (1) Repeal chapter 317, Hawaii Revised Statutes (HRS), and move the statutory provisions relating to the annual conference of secondary school students to chapter 302A, HRS, relating to education;
- (2) Replace the Governor's authority to appoint members of the student conference committee with that of the Superintendent of Education and the Hawaii Association of Independent Schools;

- (3) Repeal the provision requiring that certain members of the Legislature and the Department of Education be included in the membership of the student conference advisory committee and instead require the Department of Education to maintain guidelines and procedures for establishing the advisory committee;
- (4) Repeal the three-day limit for the annual conference and provide that the conference is subject to program and funding limitations; and
- (5) Repeal the requirement for an evaluation report on conference proceedings.

Your Committee on Conference finds that the Student Conference Committee provides secondary students with the opportunity to learn valuable skills and connect with and learn from other secondary school students. In addition, it provides a forum for secondary school students to share their thoughts and concerns on issues that impact their schools and communities.

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 S.B. No. 239, 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. 239, S.D. 1, 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, 2. Noes, none. Excused, 1 (Slom).

Representatives Takumi, Ing, Takai and Fale.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Takai).

**Conf. Com. Rep. 38 on S.B. No. 505**

The purpose of this measure is to support and encourage the use of mediation to settle condominium related disputes by:

- (1) Adding support for mediation of condominium related disputes as an educational purpose eligible to be funded by the Condominium Education Trust Fund;
- (2) Beginning with the July 1, 2015, biennium registration, establishing an additional annual Condominium Education Trust Fund fee dedicated to supporting mediation of condominium related disputes; and
- (3) Requiring the Real Estate Commission to make adjustments to the Condominium Education Trust Fund prior to July 1, 2015, to ensure that adequate funds are available for mediation of condominium related disputes.

Your Committee on Conference finds that mediation can be a consumer friendly way of resolving condominium related disputes. This measure dedicates a portion of the fees paid into the Condominium Education Trust Fund to support mediation of condominium related disputes, which will directly benefit the entire condominium community. This measure also ensures that condominium owners have access to the services of professionally trained mediators with extensive subject matter expertise, including retired judges and individuals with appropriate professional mediation training.

Your Committee on Conference has amended this measure by inserting an effective date of July 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 S.B. No. 505, 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. 505, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Brower and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 39 on S.B. No. 1214**

The purpose of this measure is to:

- (1) Abolish the Commission on Transportation;
- (2) Authorize the counties to adopt ordinances to authorize the respective county police department or agent to apply a wheel boot to any motor vehicle for any parking violation and to collect a county fine to apply or remove the wheel boot; and
- (3) Prohibit a person other than a person authorized by the county or the registered owner of a vehicle from applying a wheel boot to the vehicle.

Your Committee on Conference finds that the Commission on Transportation was created as an advisory committee to the Department of Transportation and is no longer necessary. Abolishing the Commission on Transportation will streamline the operations of the Department.

Your Committee on Conference further finds that enforcement of parking violations is ineffective if the violator fails to pay a parking fine without other penalty. Authorizing the police to apply a wheel boot as an additional penalty would require the payment of a fee in order to remove the wheel boot.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to prohibit a person or entity, including any county police department or agent, from applying or causing to be applied, a wheel boot to a motor vehicle located on any public or private street, roadway, or highway, as applicable, or on any public or private property, as applicable;
- (2) Deleting the language authorizing the counties to adopt ordinances to authorize the county police department or agent to apply wheel boots and collect a fine to apply and remove a wheel boot; 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. 1214, 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. 1214, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Espero, Gabbard, Kouchi and Slom.

Managers on the part of the Senate.

Ayes, 4; Ayes with Reservations (Espero). Noes, none. Excused, 2 (Gabbard, Slom).

Representatives Yamane, Yamashita, Ichiyama and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 40 on S.B. No. 1209**

The purpose and intent of this measure is to:

- (1) Repeal language prohibiting persons from parking or placing a vehicle on a structure on any highway to sell from the vehicle certain items, thereby creating a hazardous condition or public nuisance;
- (2) Insert language prohibiting persons from occupying any highway or parking or placing a vehicle on a structure on any highway to sell any product, service, merchandise, food, or solicitation; and
- (3) Authorize the Director of Transportation, in the case of state highways, to issue a written permit, subject to any terms and conditions imposed by the Director, authorizing the applicant to vend in the airspace, as that term is defined in federal law, of the State's interstate highway system.

Your Committee on Conference finds that this measure allows the Department of Transportation flexibility to ensure that enforcement of the statute against unauthorized vending activities in the airspace is consistent with federal law, because federal law regulates this matter.

Your Committee on Conference has amended this measure by:

- (1) Reinstating language that prohibits persons from parking or placing a vehicle on a structure on any highway to sell from the vehicle certain items, thereby creating a hazardous condition or public nuisance; and
- (2) Deleting language that prohibits persons from occupying any highway or parking or placing a vehicle on a structure on any highway to sell any product, service, merchandise, food, or solicitation.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1209, 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. 1209, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Baker, Dela Cruz, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, Yamashita and Ichiyama.

Managers on the part of the House.

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

**Conf. Com. Rep. 41 on S.B. No. 1161**

The purpose of this measure is to:

- (1) Allow a court to issue an income withholding order for payment of fines imposed on a vessel owner for violations of laws regarding abandoned vessels and establish procedures for the execution of the order; and
- (2) Clarify that all costs and expenses associated with the impoundment of an unauthorized vessel by the Department of Land and Natural Resources shall be borne by the vessel owner and specify circumstances under which no vessel registration shall be renewed or transferred.

Your Committee on Conference finds that in the case of a vessel owner who is in violation of mooring within a state small boat harbor or offshore mooring area, the vessel owner should have a continuing obligation to pay for the consequences.

Under existing law, the burden, along with the costs and expenses of impoundment and disposal of all unauthorized vessels, is on the Department of Land and Natural Resources when a vessel owner does not repossess an impounded vessel prior to disposition. The process is costly and time-consuming for the Department. The State is also not entitled to recover mooring fees incurred by the vessel owner prior to impoundment.

Your Committee on Conference has amended this measure by:

- (1) Deleting all references to the income withholding order by the court;
- (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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1161, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, English, Kouchi, Dela Cruz, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 2 (Dela Cruz, Slom).

Representatives Yamane, Hanohano, Yamashita, Ichiyama and Cheape.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Cheape).

**Conf. Com. Rep. 42 on S.B. No. 1339**

The purpose of this measure is to establish a definition of rural that would protect existing programs in remote areas of the State, such as the critical access hospital designation for Kahuku Medical Center, and expand opportunities for other communities that are designated as rural within the State but do not otherwise meet federal definitions to qualify as such.

Your Committee on Conference finds that the 2010 Census determined that Oahu no longer contains any areas that federally qualify as rural. This endangers Kahuku Medical Center's designation as a critical access hospital and disqualifies all communities on Oahu from participating in federal rural programs. Since 2010, rural communities in Hawaii have qualified for \$1,890,000 in federal grants from the Health Resources and Services Administration's Office of Rural Health Policy alone, with about half going to Oahu. With the release of the latest census figures, communities on Oahu no longer qualify for these and other federal programs. While the federal definitions of rural will keep some communities from participating in federal programs, there are several federal programs that recognize state definitions of rural. This measure establishes a state definition of rural that would protect existing programs in remote areas of the State.

Your Committee on Conference has amended this measure by changing the effective date to July 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 S.B. No. 1339, 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. 1339, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Solomon, Kouchi, Nishihara, Dela Cruz, Ige, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ige, Slom).

Representatives Belatti, Morikawa, Carroll and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Carroll).

**Conf. Com. Rep. 43 on S.B. No. 1025**

The purpose of this measure is to update the Hula Mae Single Family Mortgage Loan program by:

- (1) Allowing broader program participation by potential homeowners;
- (2) Adding down payment and other cost assistance as a program feature; and
- (3) Making housekeeping and conforming amendments.

Your Committee on Conference finds that the Hula Mae Single Family Mortgage Loan program is a mortgage loan program for families of low and moderate income that was initiated by the Legislature in 1979. The program's intent is to deliver low interest mortgage loans to families and individuals who cannot qualify in the conventional market.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2013; 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. 1025, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1025, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, McKelvey, Woodson, Jordan and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 44 on S.B. No. 933**

The purpose of this measure is to make permanent the state general excise tax exclusion 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 on Conference finds that the TRICARE program is a federal government program that provides health care services to over nine million Americans, composed of active duty, reserve, and retired members of the United States uniformed services, their family members, and survivors, including approximately one hundred fifty thousand current and former service members and their family members who reside in Hawaii. The TRICARE program contracts with third-party administrators, known as "managed care support contractors," to establish and maintain networks of TRICARE-authorized civilian health care providers in various regions of the United States. On behalf of the United States Department of Defense, managed care support contractors make advances to health care providers, including doctors, hospitals, and other providers, for costs of health care services provided to TRICARE beneficiaries. The United States Department of Defense reimburses managed care support contractors for the actual cost or advancement made to third-party health care providers.

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

- (1) Extending the state general excise tax exclusion for five years, rather than making the exclusion permanent; and
- (2) Changing the effective date from July 1, 2050, to July 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 S.B. No. 933, 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. 933, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takai, Belatti, Luke, Takayama and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 45 on S.B. No. 586**

The purpose of this measure is to provide, under certain circumstances, an exemption from building code requirements and an expansion of existing building permit exemptions for nonresidential buildings or structures, including indigenous Hawaiian hale, on commercial farms and ranches located outside the urban district.

Your Committee on Conference finds that nonresidential building code requirements are financially and logistically burdensome to farming and ranching operations despite the minimal risk that these structures pose to public safety. Although Act 114, Session Laws of Hawaii 2012, exempts nonresidential agricultural and aquaculture buildings and structures from the building permit requirements, farmers and ranchers are still discouraged from expanding their farming operations due to the onerous building code requirements. The agricultural exemptions provided by this measure will ease the financial and administrative burden on farmers and ranchers and encourage agricultural diversification and self-sufficiency.

Your Conference on Committee has amended this measure by:

- (1) Removing the requirement that each county establish a list of agricultural buildings and structures that are exempt from existing building permit and code requirements;
- (2) Removing the county's discretion to determine which buildings and structures are exempt from building permit and building code requirements by requiring that all buildings and structures specified be exempt from building permits and, in certain cases, building code requirements;
- (3) Amending the term "agricultural building or aquacultural building" to "agricultural building" and clarifying that the definition of agricultural building includes a nonresidential building or structure built for agricultural or aquacultural purposes;
- (4) Specifying that buildings or structures used to store pesticides or other hazardous material are not exempt from building permit or code requirements unless they are stored in accordance with federal and state law;

- (5) Providing that failure to comply with the conditions set forth in section 46-88, Hawaii Revised Statutes, shall result in penalties consistent with county building department provisions;
- (6) Inserting an effective date of July 1, 2013; 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. 586, 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. 586, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Espero, Kouchi, Thielen and Slom.

Managers on the part of the Senate.

Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Slom).

Representatives Wooley, Evans, McKelvey, Onishi and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 46 on S.B. No. 697**

The purpose of this measure is to enhance the continuity of the Hawaii Aerospace Advisory Committee by extending the terms of committee members from two to four years.

Your Committee on Conference finds that extending the terms of service for members of the Hawaii Aerospace Advisory Committee will enable committee members to establish stronger working relationships and enhance the continuity of discourse among members, as well as reduce the administrative efforts required to maintain appropriate representation on the committee.

Your Committee on Conference 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 697, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 697, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Chun Oakland and Slom.

Managers on the part of the Senate.

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

Representatives Tsuji, Takayama, Tokioka and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 47 on S.B. No. 88**

The purpose of this measure is to prohibit the possessing or keeping open liquor containers in the common areas in state and federal public housing projects, with certain exceptions.

Your Committee on Conference finds that state law prohibits the consumption of intoxicating liquors on public sidewalks, including any sidewalk within a public housing project as defined in sections 356D-1 and 356D-91, Hawaii Revised Statutes, and in common areas of public housing projects. However, this prohibition can be difficult to enforce since it is limited by the word "consumption", requiring that either a law enforcement officer visibly observe a perpetrator in the action of imbibing intoxicating liquor or a witness be willing to testify to visibly observing a perpetrator in the action of imbibing intoxicating liquor. By broadening the prohibition to possession of open intoxicating liquor containers, the requirement of physically observing a perpetrator in the act of imbibing in order to support prosecution is removed, making violations easier to report and enforce.

Your Committee on Conference has amended this measure by:

- (1) Removing exemptions that would have allowed possession of a liquor container within a public housing project if the container was being transported to or from certain locations and was sealed or closed with a cork or lid; 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. 88, 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. 88, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Espero, Kidani, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives Cabanilla, Rhoads, Jordan and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 48 on S.B. No. 1067**

The purpose of this measure is to:

- (1) Update the escrow depositories law to more realistically address the current responsibilities and operations of escrow depositories; and
- (2) Adjust fees for escrow depositories to reflect the risk based approach of supervision and the additional regulation and monitoring required of the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee on Conference finds that the last significant revision to the State's escrow depositories law, codified as chapter 449, Hawaii Revised Statutes, was more than twenty-five years ago. Today's escrow depositories are handling larger and more sophisticated financial transactions, and certain changes to the escrow depositories law are therefore needed to better regulate the industry and protect consumers. Your Committee on Conference further finds that this measure provides the Division of Financial Institutions with meaningful tools and needed funding to oversee and regulate the escrow depository industry and safeguard the rights of the public.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have defined the term "examination and investigation", as this term does not appear elsewhere in this measure or in chapter 449, Hawaii Revised Statutes;
- (2) Inserting an effective date of upon approval; provided that sections 4, 7, and 8 of this measure shall take effect on January 1, 2014; 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. 1067, 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. 1067, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Kawakami).

**Conf. Com. Rep. 49 on S.B. No. 1042**

The purpose of this measure is to improve the Public Utilities Commission's ability to respond and adapt to the changing regulatory environment by:

- (1) Clarifying its authority to hire professional and other staff; and
- (2) Repealing existing legislatively-imposed permanent and temporary staff position descriptions.

Your Committee on Conference finds that the increased demand for energy and technological advancements in generating renewable energy, as well as changes in the delivery of other public utilities, requires the Public Utilities Commission to have a modernized and sophisticated workforce to carry out its increasingly complex regulatory functions. This measure allows the Chairperson of the Public Utilities Commission the flexibility to identify, design, and fill the positions necessary to steward the State through these dynamic and challenging technology-driven times.

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. 1042, 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. 1042, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Belatti and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 50 on S.B. No. 1068**

The purpose of this measure is to:

- (1) Authorize the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs to require money transmitters to register with NMLS;
- (2) Establish procedures for a licensed money transmitter to surrender its license; and
- (3) Amend the bond requirement, fee structure for services provided by the Division of Financial Institutions, and the fine for violations of money transmitter regulations.

Your Committee on Conference finds that the Money Transmitter Act, codified as chapter 489D, Hawaii Revised Statutes, was originally enacted in 2006 to protect consumers of money transmission services and prevent money transmission from being used to facilitate illegal activities. This measure enables the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs to more effectively enforce the money transmitters law and more appropriately supervise, regulate, and examine licensees. This measure also ensures that the Commissioner of Financial Institutions has sufficient funds to effectively regulate the money transmitter industry.

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. 1068, 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. 1068, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Hee, Espero, Ihara and Taniguchi.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Espero, Ihara).

Representatives Tsuji, McKelvey, Tokioka, Brower and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (McKelvey, Thielen).

**Conf. Com. Rep. 51 on H.B. No. 1132**

The purpose of this measure is to:

- (1) Require state employees specified under section 84-17(c), Hawaii Revised Statutes, except for state legislators to file a disclosure of financial interest statement with the Hawaii State Ethics Commission between January 1 and May 31 of each year; and
- (2) Require state legislators to file a disclosure of financial interest statement with the Hawaii State Ethics Commission between January 1 and January 31 of each year.

Your Committee on Conference has amended this measure by changing its 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. 1132, 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. 1132, 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 Nishimoto, Brower, Tsuji and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 52 on H.B. No. 1287**

The purpose of this measure is to help ensure that age-restricted goods and services are not purchased by underage individuals by specifying that the machine-readable zone of an individual's Hawaii identification card or driver's license may be scanned to verify, if the business has a reasonable doubt, that the individual has reached the minimum age required to purchase the age-restricted goods or services, rather than to verify that the individual has reached eighteen years of age or older.

Your Committee on Conference has amended this measure by:

- (1) Inserting a sunset date of July 31, 2014; and
- (2) Changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1287, 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. 1287, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 53 on H.B. No. 785**

The purpose of this measure is to:

- (1) Require the Native Hawaiian Roll Commission (Commission), in cooperation with the Office of Hawaiian Affairs, to submit an annual report to the Legislature beginning with the Regular Session of 2014, including the status of the preparation of the Native Hawaiian Roll, the Commission's expenditures, and the concerns or recommendations of the Commission;
- (2) Clarify that the Commission is responsible for including individuals who meet the ancestry requirements of Kamehameha Schools or of any Hawaiian registry program of the Office of Hawaiian Affairs on the Native Hawaiian Roll as "qualified Native Hawaiians";
- (3) Specify that the Commission shall include on the Native Hawaiian Roll and extend all rights and recognitions of other members of the Native Hawaiian Roll to any person already registered with the State as a certified Hawaiian or Native Hawaii through the Office of Hawaiian Affairs; and
- (4) Eliminate the directive from Act 195, Session Laws of Hawaii 2011, relating to the recognition of Native Hawaiians as Hawaii's indigenous people, that the Hawaiian Homes Commission Act, 1920, be amended in accordance with Act 195.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have required the Commission, in cooperation with the Office of Hawaiian Affairs, to submit an annual report to the Legislature;
- (2) Clarifying that an individual included on the Native Hawaiian Roll and treated as other members of the Native Hawaiian Roll based on that individual's previous registration with the State as a certified Hawaiian or Native Hawaiian through the Office of Hawaiian Affairs shall have that registration verified by the production of relevant Office of Hawaiian Affairs records;
- (3) Reinstating the directive in Act 195, Session Laws of Hawaii, to amend the Hawaiian Homes Commission Act, 1920, to accomplish the purposes of Act 195; 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. 785, 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. 785, 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 Rhoads, Carroll and Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, 1 (Thielen). Excused, none.

**Conf. Com. Rep. 54 on H.B. No. 622**

The purpose of this measure is to protect the freedom of the press by:

- (1) Making permanent the news media privilege; and
- (2) Clarifying and defining the applicability of the privilege.

Your Committee on Conference has amended this measure by:

- (1) Reinstating the provision that extends the privilege to unpublished information obtained or prepared by certain persons while employed or professionally associated in the course of gathering, receiving, or processing information for communication to the public;
- (2) Removing the news-media-privilege exception with respect to defendants in criminal cases who have a constitutional right to the information sought, because any constitutional right such defendants have will prevail over the statute, thus making it unnecessary to amend the existing privilege; 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. 622, 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. 622, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro, Gabbard, Ihara and Slom.  
Managers on the part of the Senate.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Gabbard, Ihara).

Representatives Rhoads, Belatti, Lee and Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, 1 (Thielen). Excused, 1 (Lee).

**Conf. Com. Rep. 55 on H.B. No. 32**

The purpose of this measure is to ensure equity in the election process by requiring the chief election officer, beginning with the next full two-year election cycle, to place candidate names on the ballot in alphabetical order beginning with a letter drawn by lot prior to each election cycle.

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. 32, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 32, 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, 3. Noes, none. Excused, none.

Representatives Rhoads, Tsuji and Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Tsuji).

**Conf. Com. Rep. 56 on H.B. No. 31**

The purpose of this bill is to amend the offense of disorderly conduct.

Your Committee on Conference has amended this measure by:

- (1) Including in the offense of disorderly conduct lying down at a bus stop shelter or other bus stop structure in a manner that impedes or obstructs the use of or access to the bus stop;
- (2) Establishing a \$50 fine for this specific offense; and
- (3) Changing its effective date from July 1, 2050, to January 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 31, 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. 31, 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 Rhoads, Belatti, Brower and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 57 on H.B. No. 21**

The purpose of this measure is to:

- (1) Permit the board of directors of a condominium association to collect a six-month special assessment from the mortgagee or other purchaser of a unit with a recorded lien for delinquent common assessments; and
- (2) Specify how excess rental income received by a condominium association after a foreclosure proceeding shall be paid to existing lien holders.

Your Committee on Conference finds that the costs of default in a condominium are substantially born by condominium associations and non-defaulting unit owners and mortgagors in the affected communities. The lending industry also has an interest in preserving the value of the condominium projects that make up part of the lending industry's collateral.

Your Committee on Conference further finds that because there are legitimate but competing issues relating to common assessments, the needs of the lending industry and condominium associations and non-defaulting unit owners must be appropriately balanced when attempting to create a priority lien for common assessments. This measure achieves this balance by providing condominium associations and non-defaulting unit owners with relief while also addressing interests of the lending industry.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the board of directors of a condominium association may specially assess the amount of the unpaid regular monthly common assessments for common expenses against a mortgagee, rather than a mortgagee or other purchaser of a unit;
- (2) Clarifying that any excess rental income received by a condominium association after a foreclosure proceeding shall be applied to the benefit of the unit owner;

- (3) Clarifying that excess rental income includes any net income received by the association after a court has issued a final judgment determining the priority of a senior mortgagee and after paying, crediting, or reimbursing the association or a third party; and
- (4) 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 H.B. No. 21, 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. 21, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Rhoads, Yamane and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 58 on H.B. No. 635**

The purpose of this measure is to expedite the approval process for broadband-related permits while maintaining utility pole public safety standards by:

- (1) Requiring the State and the counties to approve, approve with modification, or disapprove all broadband-related permits within specified timeframes to avoid automatic approval of broadband permit applications;
- (2) Specifying that applicants shall comply with all applicable safety and engineering requirements relating to broadband-related infrastructure; and
- (3) Ensuring that the Federal Communications Commission and the Public Utilities Commission have authority over utility pole weight capacity limits.

Your Committee on Conference has amended this measure by:

- (1) Adding a State automatic approval provision for applications for broadband facilities within the conservation district if not approved, approved with modification, or disapproved within one hundred forty-five days;
- (2) Removing specific State and county automatic approval provisions for applications for broadband facilities for the protective subzones of the conservation district if not approved, approved with modification, or disapproved within ninety days;
- (3) Removing specific State and county automatic approval provisions for conservation district use applications for broadband facilities, and related provisions, if not approved, approved with modification, or disapproved within one hundred twenty days;
- (4) Changing its effective date to January 1, 2014; 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. 635, 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. 635, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Tsuji, McKelvey, Choy, Yamashita and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 59 on S.B. No. 1176**

The purpose of this measure is to improve the parole system in Hawaii by:

- (1) Allowing certain individuals who serve on the panel that nominates Hawaii Paroling Authority members to select designees to represent them on the panel;
- (2) Requiring the release of parole hearing decisions within thirty days after the hearing; and
- (3) Establishing how quorum is determined for action on matters before the Hawaii Paroling Authority.

Your Committee on Conference finds that the Hawaii Paroling Authority nomination panel includes the Chief Justice of the Hawaii Supreme Court, Director of Public Safety, President of the Bar Association of Hawaii, a representative designated by the head of the Interfaith Alliance Hawaii, a member of the public, and President of the Hawaii Chapter of the National Association of Social Workers. The panel is responsible for vetting the list of applicants, conducting interviews, and submitting not less than three names per vacancy for the Governor's consideration. Your Committee on Conference further finds that this work averages three to five full days of meetings – a schedule that is often impractical for individuals in high level positions to regularly attend and still complete their

existing work responsibilities. This measure permits the Chief Justice, Director of Public Safety, and Presidents of the Hawaii State Bar Association and Hawaii Chapter of the National Association of Social Workers to appoint designees to represent their organizations at these meetings to ensure the timely nomination of new members.

Your Committee on Conference has amended this measure by:

- (1) Inserting language stating that if it is determined immediately preceding or during the course of a hearing that a sitting panel member must be recused due to a conflict of interest or illness, the panel may proceed with two members for quorum; 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. 1176, 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. 1176, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Rhoads, Ing and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 60 on S.B. No. 1073**

The purpose of this measure is to:

- (1) Establish certification and financial solvency requirements for dental service corporations; and
- (2) Repeal chapters 423 and 448D, Hawaii Revised Statutes.

Your Committee on Conference finds that under the federal Patient Protection and Affordable Care Act, beginning in 2014, stand-alone dental plans will be able to be sold through Hawaii's health insurance exchange, known as the Hawaii Health Connector. However, certain licensing requirements must be met prior to selling a stand-alone dental plan on the Hawaii Health Connector.

Your Committee on Conference further finds that this measure establishes a regulatory framework, compatible with the federal Patient Protection and Affordable Care Act, for dental service corporations in their provision or arrangement of dental insurance plans. Your Committee on Conference additionally finds that this measure refers to "dental service corporations" rather than "dental insurers"; however, there is already a chapter in the Hawaii Revised Statutes titled "Dental Service Corporations". Therefore, amendments to the terms in this measure are necessary to avoid a conflict with the existing chapter 423, Hawaii Revised Statutes, relating to dental service corporations.

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

- (1) Amending the title of the new chapter to "Dental Insurers", to avoid a conflict with chapter 423, "Dental Service Corporations", and making conforming substitutions of the term "dental service corporation" with the term "dental insurer" throughout the measure;
- (2) Clarifying the definitions of "dental insurer" and "insolvent" or "insolvency" and inserting a definition of "dental service corporation";
- (3) Clarifying that persons applying to the Insurance Commissioner for a certificate of authority to establish and operate a dental insurer must be in compliance with the new chapter established by this measure and chapter 423, Hawaii Revised Statutes;
- (4) Replacing the phrase "certificate of authority" with "charter of incorporation" as it relates to an existing dental service corporation whose application to the Insurance Commissioner for establishment of a dental insurer has been denied, as dental service corporations do not have certificates of authority;
- (5) Specifying that a dental insurer whose certificate of authority has been revoked shall proceed to wind up its affairs and shall conduct no further business;
- (6) Clarifying that the Insurance Commissioner may levy an administrative fine upon a dental insurer in an amount not less than \$500 and not more than \$50,000;
- (7) Removing language that stated the new chapter established by this measure shall not apply to an insurer or dental service corporation licensed and regulated pursuant to the insurance code or the new chapter except with respect to its dental service corporation activities authorized and regulated pursuant to the new chapter, to avoid confusion as to applicable laws;
- (8) Regarding solicitation of enrollees by a dental insurer, replacing the term "health professionals" with the term "providers", to avoid confusion as to applicable laws;
- (9) Removing language that would have repealed chapters 423 and 448D, Hawaii Revised Statutes;
- (10) Inserting an effective date of July 1, 2013; 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. 1073, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1073, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, McKelvey, Cabanilla and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Cabanilla).

**Conf. Com. Rep. 61 on S.B. No. 6**

The purpose of this measure is to prohibit the use of certain cruel or lethal methods for the control of animals. Specifically, this measure:

- (1) Requires dogs or cats that are captured or killed in a snare or certain traps 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 certain exemptions for activities carried out by state and federal agencies.

Your Committee on Conference 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 on Conference has amended this measure by deleting the exemption for state or federal employees for the use of steel-jawed leg-hold traps but retaining the exemption for state or federal employees to use snares, conibear traps, and foot- or leg-hold traps in residential or other prohibited areas for certain purposes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 6, 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. 6, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 62 on S.B. No. 9**

The purpose of this measure is to:

- (1) Prohibit persons convicted of cruelty to animals in the first degree from possessing or owning any pet animal or equine animal for a minimum of five years from the date of conviction;
- (2) Authorize the court to prohibit persons convicted of cruelty to animals in the second degree from possessing or owning any pet animal or equine animal for a minimum of one year from the date of conviction; and
- (3) Clarify for the offenses of cruelty to animals in the first and second degrees that a person includes an individual, any type of business entity, or any other legal entity.

Your Committee on Conference finds that this measure is based on the concept that defendants convicted of cruelty to animals in the first or second degree should no longer be afforded the privilege of owning a pet animal or equine animal.

Your Committee on Conference has amended this measure by:

- (1) Deleting section 3, which would have authorized the court to prohibit persons convicted of cruelty to animals in the second degree from possessing or owning any pet animal or equine animal for a minimum of one year from the date of conviction;
- (2) Amending the purpose section to reflect the deletion of section 3;
- (3) Changing the effective date from July 1, 2112, 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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 9, 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. 9, 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 McKelvey, Rhoads, Tsuji and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 63 on S.B. No. 31**

The purpose of this measure is to clarify the information required in and the deadline for filing of noncandidate committee reports. Specifically, this measure:

- (1) Separates noncandidate committee contributions that are required to be disclosed and filed in preliminary, final, and supplemental noncandidate committee reports into contributions received and contributions made;
- (2) Requires noncandidate committee reports to disclose, for an independent expenditure, the name of the candidate supported or opposed by the expenditure and whether the expenditure supports or opposes the candidate; and
- (3) Requires the January supplemental noncandidate committee reports to be filed annually.

Your Committee on Conference finds that by separating the reporting of contributions into contributions received and contributions made by noncandidate committees, this measure will align with the practice that noncandidate committees make and receive contributions and report them. This separation promotes transparency of spending for independent expenditures. Your Committee on Conference further finds that amending the frequency of filing supplemental noncandidate committee reports more clearly aligns the law with the present practice of filing a supplemental report every year.

Your Committee on Conference has amended this measure by changing the effective date from January 1, 2100, 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. 31, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 31, 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 Rhoads, Lee and Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Lee).

**Conf. Com. Rep. 64 on S.B. No. 192**

The purpose of this measure is to discourage the demand for prostitution in Hawaii through stronger deterrents. Specifically, this measure:

- (1) Establishes an offense of solicitation of a minor for prostitution as a class C felony for offenders eighteen years of age or older;
- (2) Adds the offenses of promoting prostitution, solicitation of a minor for prostitution, habitual solicitation of prostitution, and solicitation of prostitution near schools and public parks under the State's forfeiture laws;
- (3) Amends the definition of "sexual offense" under the sexual offender registry laws to include solicitation of a minor who is less than eighteen years of age for prostitution; and
- (4) Clarifies that the offense of solicitation of a minor for prostitution is a tier one offense under the sex offender registry laws.

Your Committee on Conference finds that this measure strengthens the laws and penalties for crimes that exploit children subjected to prostitution. Furthermore, by amending the State's forfeiture and sexual offender registry laws, this measure discourages individuals from engaging in solicitation of prostitution.

Your Committee on Conference has amended this measure by:

- (1) Adding language from this measure, as introduced, that:
  - (A) Establishes mandatory fines for a person convicted of the offense of solicitation of a minor for prostitution;
  - (B) Increases the statute of limitations to bring a cause of action for coercion into prostitution from two to six years; and
  - (C) Clarifies the minimum and maximum fine for a person convicted of committing the offense of prostitution; 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. 192, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 192, 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 Rhoads, Brower, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Brower).

**Conf. Com. Rep. 65 on S.B. No. 890**

The purpose of this measure is to allow the Chief Justice to appoint an acting member to serve on the Hawaii Labor Relations Board in the event that a regular board member is temporarily unable to act due to recusal.

Your Committee on Conference finds that existing law requires three members to serve on the Hawaii Labor Relations Board to ensure that collective bargaining is conducted in accordance with collective bargaining laws. Any action taken by the Board is done by simple majority. However, in the event that a board member recuses on a case, and the remaining board members cannot agree, the Board may be deadlocked and unable to act. This measure addresses the tiebreaker situation by allowing the Chief Justice to appoint an acting board member to serve on the Board for the case in which the recusal occurred.

Your Committee on Conference has amended this measure by adopting the language submitted by the House Conferees that:

- (1) Reinstates the Governor as the individual who may appoint an acting member to serve on the Hawaii Labor Relations Board in the event that a regular board member is temporarily unable to act due to recusal or illness;
- (2) Requires the Governor, when selecting an appointee to serve as an acting member, to first consider persons included on a list of names submitted by employee organizations, if the regular member is the representative of management or labor, and by public employers, if the regular member is the representative of management;
- (3) Changes the effective date from July 1, 2113, to upon approval; and
- (4) Makes 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. 890, 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. 890, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Hashem and Johanson.  
Managers on the part of the House.  
Ayes, 2. Noes, none. Excused, 1 (Johanson).

**Conf. Com. Rep. 66 on S.B. No. 966**

The purpose of this measure is to adopt the Uniform Mediation Act, which provides a comprehensive law for privileges and confidentiality in mediation. Specifically, this measure:

- (1) Establishes a privilege of confidentiality for mediators and participants that prohibits the disclosure of mediation communication from being subject to discovery or admissible as evidence;
- (2) Allows the parties to the mediation to waive the privilege and provides certain exceptions to the privilege, including the types of information the mediator may disclose;
- (3) Requires the disclosure of known conflicts of interest by the mediator and, upon request, the disclosure of the mediator's qualifications; and
- (4) Promotes autonomy by authorizing the parties to decide matters that can be set by agreement.

Your Committee on Conference finds that mediation is a process by which a third party facilitates communication and negotiation between parties to a dispute to assist them in reaching a voluntary agreement resolving that dispute. Currently, mediation communication is covered by Rule 408, Hawaii Rules of Evidence. This measure establishes a privilege that provides significantly more protection for mediation communications than the existing rule of evidence.

Your Committee on Conference has amended this measure by deleting language from the definition of "mediation" that specifies that mediation does not include hooponopono, ifoga, or other similar, traditional or customary dispute resolution practices.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 966, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 966, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Belatti and Thielen.  
Managers on the part of the House.  
Ayes, 2. Noes, 1 (Thielen). Excused, none.

**Conf. Com. Rep. 67 on H.B. No. 652**

The purpose of this bill is to improve access to medications and pharmacy services in underserved or remote areas by permitting the operation of remote dispensing pharmacies without causing operational challenges for nearby retail pharmacies. Specifically, this bill:

- (1) Prohibits new remote dispensing pharmacies from operating within ten miles of any pharmacy, excepting remote dispensing pharmacies in operation prior to the effective date of this measure and specific federally-qualified health centers; and
- (2) Extending sunset date of Hawaii's remote pharmacy dispensary law established by Act 212, Session Laws of Hawaii 2008, to January 1, 2016.

Your Committee on Conference has amended this measure by:

- (1) Prohibiting remote dispensing pharmacies from operating within the State rather than simply prohibiting remote dispensing pharmacies from operating within a ten mile radius of an existing pharmacy; and
- (2) Exempting existing remote dispensing pharmacies operated by the Waianae Coast Comprehensive Health Center in Nanakuli and Waianae from the prohibition in paragraph (1) until June 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 652, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 652, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Kouchi, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kouchi, Slom).

Representatives Belatti, McKelvey, Morikawa and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 68 on H.B. No. 25**

The purpose of this measure is to improve the foreclosure process by:

- (1) Allowing a condominium or planned-community association, as a junior lienholder, to commence or continue a nonjudicial foreclosure action on a property subject to a judicial foreclosure even if the lender has filed for foreclosure; and
- (2) Preserving the right of owner-occupants to require the foreclosing mortgagee to participate in the dispute-resolution process in situations in which an association forecloses on residential real property occupied by one or more owner-occupant mortgagors for whom the unit is and has been the person's primary residence for a continuous period of not less than 200 days immediately preceding the date on which the notice is served and the mortgagee subsequently forecloses its lien on the same property.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2013; 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. 25, 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. 25, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Rhoads, Cullen and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 69 on H.B. No. 62**

The purpose of this measure is to protect the privacy of individual health information by prohibiting pharmacy benefits managers from using an individual's health information for the purpose of marketing, selling or disseminating an individual's health information, or directly contacting an individual by any means for the purpose of marketing pharmacies owned by the pharmacy benefits manager in the absence of medical necessity, the express permission of the individual, and, where applicable, the express permission of the relevant employee benefit plan, health benefit plan, or managed care plan.

Your Committee on Conference has amended this measure by:

- (1) Specifying that a pharmacy benefits manager shall not directly contact an individual by any means for the purposes of marketing pharmacy benefits manager-owned pharmacies without express written permission unless the contact is medically necessary to the health and safety of the individual;
- (2) Specifying that an individual may freely revoke the affirmative opt in to the sale or dissemination of health information at any time;
- (3) Adding definitions for “affiliated” and “health information”; and
- (4) Specifying that the effective date of this measure shall be upon approval and the measure shall apply to all plans and contracts issued, renewed, modified, altered, or amended on or after such effective date.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 62, 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. 62, H.D. 2, S.D. 2, C.D.1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Galuteria, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Evans, Morikawa and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 70 on H.B. No. 1187**

The purpose of this measure is to address the issue of human trafficking, including the protection of children by:

- (1) Designating the month of January as “Human Trafficking Awareness Month”; and
- (2) Expanding the definitions of “child abuse or neglect” in the State’s child abuse law and “harm” in the State’s Child Protection Act by adding as circumstances of “child abuse or neglect” and “harm”:
  - (A) Acts that constitute the offense of promoting prostitution in the first degree; and
  - (B) Occurrences where a child is a victim of labor trafficking.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the offense of promoting prostitution in the first degree is where the offender advances or profits from prostitution of a person less than 18 years old; 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 H.B. No. 1187, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1187, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Wakai and Slom.

Managers on the part of the Senate.

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

Representatives Carroll, Rhoads, Morikawa and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 71 on H.B. No. 398**

The purpose of this measure is to:

- (1) Require child care facilities, including family child care homes, group child care centers, and group child care homes; and infant and toddler child care centers that care for children less than one year of age to develop, maintain, and implement safe sleep policies, in accordance with rules adopted by the Department of Human Services, to prevent sudden unexpected infant deaths and sudden infant death syndrome; and
- (2) Establish a working group to review issues relating to the transition of oversight of home and community-based facilities from the Department of Human Services to the Department of Health, including the submittal of a report of the working group’s findings and recommendations to the Legislature.

Your Committee on Conference has amended this measure by:

- (1) Deleting the Part I of the measure that required child facilities, centers, and homes, to develop, maintain, and implement safe sleep policy procedures;
- (2) Inserting the number of representatives to participate in the working group from community care foster family homes, adult residential care homes, adult day care centers, developmental disabilities domiciliary homes, adult foster homes, and licensed case management agencies;

- (3) Changing its effective date to July 1, 2013; 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. 398, 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. 398, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Carroll, McKelvey, Cabanilla, Cachola, Woodson and McDermott.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 72 on H.B. No. 1137**

The purpose of this measure is to clarify the qualifications for court-appointed child custody evaluators and enhance protections for parties affected by a child custody evaluator's determinations, including:

- (1) Specifying the types of licensed individuals who may serve as court-appointed child custody evaluators and setting forth the circumstances under which unlicensed individuals may be appointed;
- (2) Requiring the judiciary to maintain an accessible registry of qualified child custody evaluators; and
- (3) Establishing procedures allowing for complaints regarding court-appointed child custody evaluators.

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. 1137, 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. 1137, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 73 on H.B. No. 951**

The purpose of this measure is to clarify the service of process within the State by:

- (1) Directing the Department of Public Safety to maintain a list of independent process servers to serve specified civil process within the State;
- (2) Statutorily authorizing the independent civil process servers from the Department of Public Safety's list to serve specified types of civil legal process and to collect fees for such service;
- (3) Removing the power of the court to authorize persons to effect service of process by court rule or otherwise;
- (4) Shielding the Department of Public Safety, the State, and any agencies, officers, or employees from responsibility or liability for the conduct of any independent civil process server placed on the list; and
- (5) Specifying that an independent civil process server placed on the Department of Public Safety's list shall not be considered a law enforcement officer, sheriff or deputy sheriff, or employee or agent of the State.

Your Committee on Conference has amended this measure by:

- (1) Adding orders to show cause pursuant to chapter 633, Hawaii Revised Statutes, and writs of attachment or execution pursuant to chapter 651, Hawaii Revised Statutes, to the types of civil process that independent civil process servers are authorized to process;
- (2) Clarifying that independent civil process servers are included in those who may seize goods, chattels, and property pursuant to a writ of replevin or attachment under chapter 634, Hawaii Revised Statutes, or in execution of a bond pursuant to chapter 654, Hawaii Revised Statutes;
- (3) Specifying that the Department of Public Safety and the State are not responsible or liable for the conduct in the course of service of writs of attachment or execution pursuant to chapter 651, Hawaii Revised Statutes, of any independent civil process server placed on the list;

- (4) Clarifying that the inclusion of independent civil process servers in the persons authorized to process writs of attachment or execution shall not be construed to make an independent civil process server a law enforcement officer, sheriff or deputy sheriff, or employee or agent of the State;
- (5) Requiring the Department of Public Safety to convene a working group to:
  - (A) Define and delineate process server duties and responsibilities;
  - (B) Create a registration process for process servers;
  - (C) Examine the licensing requirements of and jurisdictional concerns with the private process server industry in the State; and
  - (D) Address other relevant issues; 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. 951, 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. 951, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 74 on S.B. No. 978**

The purpose of this measure is to establish that cruelty to animals in the second degree is a class C felony when the offense involves twenty-five or more pet animals in any one instance.

Your Committee on Conference finds that in a recent animal cruelty case, the judge sentenced the former manager of a dog breeding facility to six months in jail for one hundred fifty-three counts of animal cruelty. However, the defendant did not serve his jail sentence because the defendant was released from custody for time served while waiting for trial. This measure elevates the penalty for the offense of cruelty to animals in the second degree from a misdemeanor to a class C felony when the offense involves twenty-five or more pet animals in any one instance to ensure that defendants who are convicted of animal cruelty involving multiple pet animals serve time in jail.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to amend section 706-620, Hawaii Revised Statutes, to prohibit sentencing a defendant to a term of probation if the defendant is convicted of cruelty to animals in the first or second degree involving ten or more pet animals;
- (2) Establishing that cruelty to animals in the second degree is a class C felony if the offense involves ten or more, rather than twenty-five, pet animals in any one instance; 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. 978, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 978, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 75 on S.B. No. 19**

The purpose of this measure is to exempt from the definition of "public utility" persons who own, control, operate, or manage renewable energy systems on their property and provide, sell, or transmit electricity generated by those systems to tenants or lessees on the property, under certain conditions.

Your Committee on Conference finds that this measure provides an opportunity for renters to be able to benefit from the cost savings of renewable energy systems, such as solar photovoltaic systems, without having to incur the cost of installing the systems themselves. This measure also provides landlords with investment opportunities that could ultimately benefit landlords and tenants. Your Committee on Conference also finds that tenants and lessees may not have bargaining power equal to that of landlords and lessors, necessitating disclosure and rate requirements in leases that are protective of tenants and lessees.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the purpose section of the measure to reflect the intent to provide for disclosures in the lease agreement for the protection of the lessees or tenants;
- (2) Inserting a provision requiring any interconnection to be maintained with an electric public utility to preserve the lessees' or tenants' ability to be served by an electric utility;
- (3) Inserting a provision prohibiting owners and lessors from using the electric public utility's transmission or distribution lines to provide, sell, or transmit electricity to lessees or tenants;
- (4) Clarifying language restricting the rate charged to tenants and lessees to a rate no greater than the effective rate charged per kilowatt hour from the applicable electric utility schedule filed with the Public Utilities Commission;
- (5) Adding language to prohibit lease agreements from abrogating any terms or conditions of applicable tariffs for termination of services for non-payment of electric utility services or rules regarding health, safety, and welfare;
- (6) Requiring specific disclosures regarding rate information in any lease agreement between lessors and tenants;
- (7) Inserting a provision to preclude energy wheeling; 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. 19, 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. 19, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 76 on S.B. No. 535**

The purpose of this measure is to extend certain basic labor rights and protections to domestic workers. Specifically, this measure:

- (1) Prohibits an employer from discharging or discriminating against an individual employed as a domestic in compensation or in terms, conditions, or privileges of employment because of that individual's race, sex including gender identity or expression, sexual orientation, age, religion, color, ancestry, disability, or marital status;
- (2) Applies the wage and hour laws under chapter 387, Hawaii Revised Statutes, to domestic workers except for individuals employed in domestic services on a casual basis and individuals providing companionship services for the aged or infirm; and
- (3) Adds definitions of "casual basis", "companionship services for the aged or infirm", and "domestic service" to the wage and hour laws under chapter 387, Hawaii Revised Statutes.

Your Committee on Conference finds that domestic workers provide services for a family other than their own within that family's home. The duties of a domestic worker depend on the employment relationship between the domestic worker and the domestic worker's employer. Duties may include cleaning; laundry; shopping; cooking; or child, senior, or pet care. Many domestic workers are hired under private agreements that do not afford basic legal employment rights and protections. This measure extends certain basic labor rights and protections to domestic workers.

Your Committee on Conference has amended this measure by:

- (1) Adopting the language suggested by the Hawaii Civil Rights Commission and the Department of Labor and Industrial Relations regarding the provision that prohibits discrimination of individuals employed as domestics to exclude from this protection the act of discharging a domestic worker; and
- (2) Changing the effective date from July 1, 2113, 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. 535, 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. 535, S.D. 1, H.D. 2, 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, 3. Noes, none. Excused, none.

Representatives Nakashima, Tsuji, Rhoads, Hashem and Johanson.  
Managers on the part of the House.  
Ayes, 5; Ayes with Reservations (Johanson). Noes, none. Excused, none.

**Conf. Com. Rep. 77 on S.B. No. 310**

The purpose of this measure is to:



- (1) Establish an assisted community treatment program in lieu of the involuntary outpatient treatment program for severely mentally ill individuals who meet specified criteria; and
- (2) Amend procedures for determination of order to and discharge from a treatment program.

Your Committee on Conference finds that there are serious problems of high incarceration and hospitalization rates of those with severe mental illness. Assisted community treatment provides an opportunity for people with serious mental illness to be treated in the least restrictive setting and reduces the trend toward criminalizing mental illness.

Your Committee on Conference further finds that obtaining and analyzing information from providers about persons under assisted community treatment is beneficial for providers and people with serious mental illness.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have created a new section related to confidentiality of records, files, and orders for assisted community treatment;
- (2) Inserting language that subjects an order for assisted community treatment to the provisions of the Health Care Privacy Harmonization Act, codified as chapter 323B, Hawaii Revised Statutes;
- (3) Deleting language that would have required the State to reimburse a private hospital for services rendered to a subject of a petition who is uninsured;
- (4) Specifying that the subject of an order is fully discharged from assisted community treatment if no objection is filed prior to the intended date of discharge, rather than within five days of the mailing of notice;
- (5) Inserting language that requires treating providers wishing to file a petition for assisted community treatment to gather information related to MH-1s and hospitalization of persons who are under an order to treat;
- (6) Inserting language that requires an entity designated by the Department of Health to gather information from treating providers related to MH-1s and hospitalization of persons who are under an order to treat and submit an annual report to the Legislature no later than twenty days prior to the convening of every regular session beginning with the Regular Session of 2015;
- (7) Changing the effective date to January 1, 2014;
- (8) Inserting a repeal date of July 1, 2020;
- (9) Inserting language that prohibits state-operated providers from filing a petition for assisted community treatment until after July 1, 2015;
- (10) Inserting language that allows any private provider wishing to file a petition for assisted community treatment to do so after January 1, 2014; provided that the provider uses its own resources and the petitioner is to be the designated mental health program;
- (11) Inserting language that allows any interested party wishing to file a petition for assisted community treatment to do so after January 1, 2014; provided that the party uses its own resources and the designated mental health program is a private provider; 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. 310, 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. 310, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland, Hee, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, Aquino, Rhoads, Jordan and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 78 on S.B. No. 655**

The purpose of this measure is to allow health care professionals to dispense or prescribe medication, without examination, to the partners of patients diagnosed as having a sexually transmitted disease recommended by the Centers for Disease Control and Prevention for expedited partner therapy.

Your Committee on Conference finds that many patients who have been diagnosed with sexually transmitted diseases, including chlamydia and gonorrhea, have sexual partners who refuse to seek treatment. To prevent reinfection, your Committee on Conference finds that adequate treatment of sexually transmitted diseases should include treatment of sexual partners.

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. 655, 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. 655, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, McKelvey, Wooley, Kobayashi and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McKelvey).

**Conf. Com. Rep. 79 on S.B. No. 548**

The purpose of this measure is to exempt from the licensing requirement any commissioned medical officer employed by the U.S. Department of Defense, who is credentialed by Tripler Army Medical Center, while providing direct telemedicine support or services to neighbor island beneficiaries within a Hawaii National Guard armory on the island of Kauai, Hawaii, Molokai, or Maui.

Your Committee on Conference finds that enhanced medical services for National Guard armories on the islands of Kauai, Hawaii, Molokai, and Maui will have a direct and long-term impact for health care accessibility for neighbor island beneficiaries. Your Committee on Conference further finds that this measure will support service members who seek healthcare services at Hawaii National Guard armories and ensure that they will be able to receive telemedicine support by qualified healthcare personnel.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to amend section 465-3, Hawaii Revised Statutes, to exempt psychologists employed by the U.S. Department of Defense from licensing requirements while providing direct telemedicine support or services to Hawaii National Guard armories on the island of Kauai, Hawaii, Molokai, or Maui if they are credentialed by Tripler Army Medical Center;
- (2) Making the 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. 548, 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. 548, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takai, Belatti, McKelvey, Ito and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 80 on S.B. No. 94**

The purpose of this measure is to provide for the appointment of a House of Representatives member and a Senate member to serve as alternate members on the Hawaii Interagency Council on Homelessness in the absence of the House and Senate member, respectively.

Your Committee on Conference finds that the Hawaii Interagency Council on Homelessness has been established to gather diverse government entities, as well as representatives from the homeless coalitions and business, faith-based, and other organizations.

Your Committee on Conference further finds that the mission of the Hawaii Public Housing Authority is to provide safe, decent, sanitary, and affordable housing to extremely low income Hawaii residents, some of whom are homeless or on the brink of homelessness. As such, adding a representative of the Authority to the membership of the Hawaii Interagency Council on Homelessness would improve the effectiveness and efficiency of the Council.

Your Committee on Conference has amended this measure by:

- (1) Adding a representative of the Hawaii Public Housing Authority to the membership of the Hawaii Interagency Council on Homelessness;
- (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 managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 94, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 94, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, Woodson, Carroll and Ward.

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

**Conf. Com. Rep. 81 on S.B. No. 102**

The purpose of this measure is to require financial institutions to report instances of suspected financial abuse of an elder directly to the appropriate county police department and Department of Human Services.

Your Committee on Conference finds that elder financial exploitation is a growing problem in Hawaii. Financial abuse of elders is frequently accompanied by physical and emotional abuse. It is a complex problem with criminal and social components that speak to the need of a multidisciplinary solution. The reporting of financial exploitation through the most appropriate and efficient channel and the resulting timeliness of the investigation are crucial to the protection of assets as well as the health and safety of the victim.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "financial abuse"; 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. 102, 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. 102, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Carroll, McKelvey, Kobayashi, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McKelvey).

**Conf. Com. Rep. 82 on S.B. No. 345**

The purpose of this measure is to update fees associated with the licensing of portable electronics insurance vendors to align these fees more closely with similar licensing fees in other jurisdictions.

Your Committee on Conference finds that raising the fees for portable electronics insurance vendors is appropriate given that the licenses cover the activities of the vendor and its employees. Your Committee on Conference further finds that the resulting fee structure is consistent with that in place in other states.

Your Committee on Conference has amended this measure by:

- (1) Inserting a fee amount of \$5,000 for the issuance of the initial portable electronics limited lines license and \$2,500 per year for the initial or renewal term; and
- (2) Making the measure 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 S.B. No. 345, 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. 345, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Baker, Chun Oakland, Nishihara and Taniguchi.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

Representatives Tsuji, Takayama, Cachola and Cheape.  
Managers on the part of the House.  
Ayes, 4; Ayes with Reservations (Cheape). Noes, none. Excused, none.

**Conf. Com. Rep. 83 on S.B. No. 997**

The purpose of this measure is to enable the Department of Accounting and General Services to address the management of the State Archives and protection of electronic records of enduring value by:

- (1) Clarifying the duties of the State Archivist;
- (2) Establishing the state archives preservation and long-term access special fund;
- (3) Establishing a state archives preservation fee for each document filed or registered by the public with a governmental entity and listed as permanent; and
- (4) Requiring all fees collected by the State Archives to be deposited into the state archives preservation and long-term access special fund.

Your Committee has amended this measure by:

- (1) Inserting a state archives preservation fee amount of \$1; and

- (2) Inserting an effective date of July 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 S.B. No. 997, 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. 997, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Nishihara, Kidani, Ige and Keith-Agaran.

Managers on the part of the Senate.

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

Representatives McKelvey, Luke, Kawakami and McDermott.

Managers on the part of the House.

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

**Conf. Com. Rep. 84 on S.B. No. 1003**

The purpose of this measure is to authorize the Chief Information Officer to conduct security audits, which may include on-site audits and reviews of written security procedures and documented practices, of all executive branch agencies regarding the protection of government information and data communication infrastructure and to direct remedial actions as necessary.

Your Committee on Conference finds that protecting government databases and data communications from intrusions and theft will help to protect the public from the negative impacts of identity theft. Your Committee on Conference further finds that authorizing the Chief Information Officer to conduct security audits will support existing state cyber security activities.

Your Committee on Conference has amended this measure by:

- (1) Inserting language prohibiting the disclosure of information protected under federal or state law, including confidential tax information, during a security audit conducted by private firms contracted by the Chief Information Officer; and
- (2) Making the measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1003, 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. 1003, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Nishihara, Chun Oakland, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Tsuji, Takayama, Choy and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 85 on S.B. No. 993**

The purpose of this measure is to expand the Department of Agriculture's agricultural loan program by adding farm innovation loans and expanding eligibility for new farmer loans.

Your Committee on Conference finds that there is a need to encourage younger generations to enter into the agricultural field if Hawaii is going to increase its food security and sustainability. Currently, the approximate age of farmers in Hawaii is fifty-nine years old. By expanding eligibility for new farmer loans and expanding new farmer loans to include farm innovation loans, this measure will incentivize and encourage young farmers to enter the agricultural field. By creating loans for farm innovation, this measure will also encourage current farmers to experiment with new crops and techniques to improve agricultural diversity and efficiency.

Your Committee on Conference has amended this measure by:

- (1) Removing the establishment of a low interest biosecurity loan program to assist the livestock industry and deleting all references to class I biosecurity project loans, including the definition of "biosecurity";
- (2) Inserting an effective date of July 1, 2013; 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. 993, 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. 993, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kouchi, Ige, Thielen and Slom.

Managers on the part of the Senate.

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

Representatives Wooley, Tsuji, Onishi, Ohno and Cheape.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Ohno, Tsuji).

**Conf. Com. Rep. 86 on S.B. No. 1360**

The purpose of this measure to make permanent the general excise tax exemptions for:

- (1) Amounts received by submanagers of homeowner and community associations for reimbursement of common expenses; and
- (2) Amounts received by hotel operators and suboperators from their operator, owner, or timeshare association to pay employee costs.

Your Committee on Conference finds that allowing the lapse of general excise tax exemptions enacted by Act 239, Session Laws of Hawaii 2007, as amended, will unfairly burden housing consumers and employees by increasing common expenses and decreasing employee wages and benefits. Your Committee on Conference further finds that condominium submanagers, timeshare associations, and hotel suboperators are in similar situations to hotel and condominium operators when they receive funds and should be taxed similarly. This measure will ensure the consistent and equitable application of the tax law for similarly situated taxpayers.

Your Committee on Conference has amended this measure by:

- (1) Repealing the \$400,000 cap on the aggregate amount of the tax exemption effective December 31, 2012;
- (2) Providing that the repeal for the aggregate cap shall apply to taxable years beginning after December 31, 2012; and
- (3) Making it effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1360, 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. 1360, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Baker, Kidani, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Luke, Ing, Nishimoto and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 87 on S.B. No. 757**

The purpose of this measure is to:

- (1) Appropriate funds to the Department of Education and the University of Hawaii to operate and implement the Future Farmers of America and 4-H programs;
- (2) Amend public land classifications to add taro lands for wetland cultivation as a fourth class of intensive agricultural use lands;
- (3) Define taro lands and include retention of supporting structures for taro fields in the list of permitted uses for certain agricultural lands; and
- (4) Add the growth and perpetuation of all traditional Hawaiian crops to agricultural objectives in the state plan.

Your Committee on Conference finds that the State must encourage younger generations to become farmers and ranchers if it is going to improve the State's agricultural sustainability. This is especially important in Hawaii due to the fact that the average age of farmers in Hawaii is approximately fifty-nine years old. This measure appropriates funds to the Future Farmers of America to encourage youth to pursue agricultural careers.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$75,000 to the Department of Education to fund the Future Farmers of America program and applying the appropriation to fiscal year 2013-2014;
- (2) Removing appropriations for and reference to the 4-H program;
- (3) Removing Part II of this measure, which would have:
  - (A) Amended public land classifications to add taro lands for wetland cultivation as a fourth class of intensive agricultural use lands;
  - (B) Defined taro lands and included retention of supporting structures for taro fields in the list of permitted uses for certain agricultural lands; and
  - (C) Added the growth and perpetuation of all traditional Hawaiian crops to agricultural objectives in the state plan;
- (4) Inserting an effective date of July 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. 757, 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. 757, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kouchi, English, Ige and Tokuda.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Ige, Tokuda).

Representatives Wooley, Onishi, Brower and Cheape.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Brower).

**Conf. Com. Rep. 88 on S.B. No. 305**

The purpose of this measure is to:

- (1) Specify that the Hawaii Public Housing Authority is not authorized to develop public land in a conservation district;
- (2) Authorize the Hawaii Public Housing Authority to develop public housing projects; and
- (3) Authorize the Hawaii Public Housing Authority to develop commercial and industrial properties in connection with the development of public housing dwelling units.

Your Committee on Conference finds that the Hawaii Public Housing Authority is allowed to develop several different classes of land, such as public land in agricultural districts and certain federal lands. This measure would provide the Hawaii Public Housing Authority with more development options to further serve the low-income residents of Hawaii and benefit the surrounding communities in which those properties are situated.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have required the Hawaii Public Housing Authority to adopt rules to determine qualifications for developers and contractors in the development of public housing projects;
- (2) Adding language to allow the Hawaii Public Housing Authority to sell or lease properties if it determines that the uses will be an integral part of the public housing development or a benefit to the community;
- (3) Removing language that would have required the Hawaii Public Housing Authority to adopt rules related to the designation of the uses of properties and the rate at which the properties can be leased;
- (4) Specifying that the net proceeds of all sales, in addition to leases, of properties, less costs to the Hawaii Public Housing Authority, shall be deposited in the public housing revolving fund; and
- (5) Changing the effective date to July 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 S.B. No. 305, 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. 305, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Cabanilla, Evans, Woodson, Belatti and Cheape.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Belatti, Cheape).

**Conf. Com. Rep. 89 on S.B. No. 1336**

The purpose of this measure is to support access to acute, long-term, and emergency medical care in our State, particularly in rural areas, by temporarily designating Kahuku Medical Center as a rural hospital to enable the Medical Center to maintain its status as a critical access hospital.

Your Committee on Conference finds that rural hospitals are essential components of the State's health care system. Maintaining acute, long-term, and emergency services in areas like the North Shore of Oahu is essential to ensure access to health care among community residents and timely access to emergent care for visitors. The loss of Kahuku Medical Center's designation as a critical access hospital would endanger its ability to provide these services to residents and visitors on the North Shore.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2013; and
- (2) Inserting a repeal date of June 30, 2023.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1336, 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. 1336, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Green, Kidani, Ige and Slom.  
Managers on the part of the Senate.

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

Representatives Belatti, Morikawa, Carroll and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 90 on S.B. No. 1074**

The purpose of this measure is to:

- (1) Regulate physical therapist assistants by limiting the use of certain titles and requiring licensure prior to practicing in the State;
- (2) Add a physical therapist assistant to the Board of Physical Therapy to replace the physician member; and
- (3) Appropriate funds from the Compliance Resolution Fund to implement the licensure of physical therapist assistants.

Your Committee on Conference finds that physical therapist assistants are health care providers who deliver physical therapy services under the direction and supervision of physical therapists. Your Committee on Conference further finds that physical therapist assistants must meet specific educational requirements and be licensed in order to provide services that are reimbursed by Medicare and/or Medicaid. The lack of licensure by physical therapy assistants has an impact on these reimbursements.

Your Committee on Conference additionally finds that Hawaii is the only state in the country that does not regulate physical therapy assistants. This measure protects the public and ensures consumer safety by regulating the practice of physical therapist assistants and requiring physical therapist assistants to receive appropriate education and training to practice in the State.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of “physical therapy” or “physical therapy services”;
- (2) Inserting an appropriation amount of \$40,000 out of the Compliance Resolution Fund for fiscal year 2014-2015 to implement the licensure of physical therapist assistants;
- (3) Inserting an effective date of upon approval; provided that:
  - (A) The Board of Physical Therapy shall adopt rules pursuant to section 461J-5, Hawaii Revised Statutes, implementing the licensure requirement under this measure no later than December 1, 2014;
  - (B) A physical therapist assistant may practice without a license until November 30, 2014, or the effective date of rules implementing licensure requirements by the Board of Physical Therapy, whichever occurs first; and
  - (C) The appropriation section shall take effect on July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference notes that the Department of Commerce and Consumer Affairs has indicated it will post the commencement date of the application period for physical therapist assistants, as required by this measure, on its website.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1074, 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. 1074, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Espero, Kahele, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives McKelvey, Belatti, Morikawa, Yamane and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 91 on S.B. No. 458**

The purpose of this measure is to modify the funding resources for public school facilities by repealing the state educational facilities improvement special fund (special fund) on July 1, 2023.

In addition, this measure facilitates the repeal of the Special Fund by:

- (1) Immediately repealing the required deposit of a portion of certain general excise tax revenues into the special fund;
- (2) Limiting expenditures from the special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2014;
- (3) Providing that lease payments made from the lease payments for schools account within the special fund pursuant to financing agreements shall only be made for financing agreements entered into prior to July 1, 2013;
- (4) Repealing statutory provisions exempting the special fund from the payment of central service and administrative expenses; and
- (5) Repealing the statutory provision authorizing the Department of Education to enter into financing agreements in accordance with the special fund.

Your Committee on Conference finds that the state educational facilities improvement special fund was established by Act 368, Session Laws of Hawaii 1989, and was designed to provide a consistent source of funding for public school facilities from general excise tax revenues and proceeds from the sale of general obligation bonds. Over the years, capital improvement projects for public school facilities have generally been funded by monies in the special fund that are subsequently fully capitalized through the issuance of general obligation bonds. In light of this arrangement, this measure repeals the special fund to allow the Department of Education's capital improvement projects to be funded directly with general obligation bonds.

Your Committee on Conference has amended this measure by limiting expenditures from the special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2016, rather than July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 458, 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. 458, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 92 on S.B. No. 1087**

The purpose of this measure is to establish a regulatory financing structure that authorizes the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to acquire and provide low-cost financing, to be deployed through a financing program to make green infrastructure installations accessible and affordable for Hawaii's consumers; achieve measurable cost savings; and achieve our State's clean energy goals.

Specifically, this measure:

- (1) Establishes the Hawaii Green Infrastructure Loan Program;
- (2) Establishes the Hawaii Green Infrastructure Authority within the Department of Business, Economic Development, and Tourism;
- (3) Authorizes the creation of green infrastructure property consisting of all property, rights, and interests of the Hawaii Green Infrastructure Loan Program, which shall vest in the Department of Business, Economic Development, and Tourism for the purpose of securing bond amounts payable under the Loan Program, and other financing costs;
- (4) Establishes the Hawaii Green Infrastructure Bond Fund to be administered by the Department of Business, Economic Development, and Tourism and to receive proceeds of the Green Infrastructure Fee and Green Infrastructure property;
- (5) Establishes the Hawaii Green Infrastructure Special Fund to receive proceeds of the Loan Program and other monies and to be expended on the operations of the Loan Program, including through credits to electric utility customers for reimbursement of excess Green Infrastructure Charge collected;
- (6) Authorizes the Department of Business, Economic Development, and Tourism to issue up to \$200,000,000 in revenue bonds to establish and administer the Hawaii Green Infrastructure Loan Program;
- (7) Appropriates unspecified amounts for fiscal years 2013—2014 and 2014—2015 to the Department of Business, Economic Development, and Tourism out of the Hawaii Green Infrastructure Special Fund; and
- (8) Appropriates unspecified amounts for fiscal years 2013—2014 and 2014—2015 to the Department of Business, Economic Development, and Tourism out of the Hawaii Green Infrastructure Bond Fund.

Your Committee on Conference finds that significant investment in infrastructure must be made to achieve the State's goals of energy self-sufficiency and greater energy security and diversification, and to support the achievement of the Renewable Portfolio Standards and Energy Efficiency Portfolio Standards. Your Committee on Conference further recognizes that these green infrastructure installations will support Hawaii's evolving energy market and ecosystem and provide affordable and accessible energy options for Hawaii's consumers.

Your Committee on Conference further finds that up-front costs of green infrastructure equipment are a barrier preventing many electric utility customers from investing in these installations and benefiting by achieving lower energy costs. Existing programs may not serve the entire spectrum of the consumer market, particularly those consumers who lack access to capital or who cannot afford these up-front costs, thereby creating an underserved market. This measure will establish a means of acquiring and providing alternative low-cost financing to underserved markets, enabling the installation of green infrastructure equipment in those markets.

Your Committee on Conference notes its concerns that there may be technical barriers to reaching higher penetration levels of intermittent power while maintaining acceptable reliability and safety standards for all electric ratepayers. Thus, it is important to continue to consider a diverse portfolio of energy options while also continuing to pursue ways to integrate increased levels of intermittent power onto the grid.

Your Committee on Conference also notes that because of the quickly evolving energy market, it will be important to evaluate the effectiveness and reach of these programs, including their effectiveness in reaching underserved markets. The study will determine if the allowable use of program proceeds shall be expanded or revised in order to best serve all of Hawaii's consumers and achieve our



State's energy goals. This study will also look into new types of energy technologies and existing energy technologies not included in the initial implementation of the loan program that may be available to provide affordable energy options. It will be important to ensure the Loan Program has enough time to provide meaningful data and analysis on these issues in order to provide recommendations on how to best revise the loan program.

Your Committee on Conference has amended this measure by:

- (1) Adding language to further articulate the intent of the measure to support Hawaii's evolving energy market to provide affordable and accessible energy options for consumers;
- (2) Specifying an appropriation amount of \$100,000,000 from the Hawaii Green Infrastructure Special Fund for fiscal years 2013-2014 and 2014-2015;
- (3) Specifying an appropriation amount of \$10,000,000 from the Hawaii Green Infrastructure Bond Fund for fiscal years 2013-2014 and 2014-2015;
- (4) Requiring the Hawaii Green Infrastructure Authority to conduct a study during the 2015 calendar year on the effectiveness and affordability of its activities and programs, and submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016; and
- (5) Making this measure effective upon its approval; provided that the appropriations shall be effective on July 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 S.B. No. 1087, 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. 1087, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Gabbard, Baker, Ige and Kouchi.

Managers on the part of the Senate.

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

Representatives Lee, McKelvey, Luke, Cullen and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 93 on S.B. No. 1340**

The purpose of this measure is to establish the young adult voluntary foster care program to care for and supervise eligible foster youth until the age of twenty-one.

Your Committee on Conference finds that foster youth who age out of the foster care system at age eighteen often do not have the financial, emotional, or housing support from their biological family. Without family support or the resources to provide for the basic necessities in life, many of these former foster youths may not have the financial means to attend school. There is a need to support these former foster youths to ensure their success and transition into society. Providing foster care support to these former foster youths while attending school would enable them to focus on academic success and career development instead of worrying about housing, food, and other basic needs.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to allow young adults to waive their right to be present at court hearings and reviews;
- (2) Deleting language that would have appropriated funds to child protective services;
- (3) Deleting language that would have appropriated funds for child protective services payments; and
- (4) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1340, 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. 1340, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Espero, Hee, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives Carroll, Rhoads, Kobayashi, Belatti and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 94 on S.B. No. 1069**

The purpose of this measure is to:

- (1) Clarify licensure requirements for mortgage loan originators and mortgage loan originator companies, and for mortgage servicer companies that conduct mortgage loan origination activities;
- (2) Adjust fees for mortgage loan origination licensees; and

- (3) Establish fees for mortgage servicer companies that conduct mortgage loan origination activities.

Your Committee on Conference finds that this measure enhances the regulation of licensees under chapter 454F, Hawaii Revised Statutes, the Secure and Fair Enforcement for Mortgage Licensing Act. Your Committee on Conference further finds that in addition to clarifying the law regulating mortgage loan origination activities, this measure provides an adjusted licensing fee schedule to help ensure that the Division of Financial Institutions of the Department of Commerce and Consumer Affairs can continue to provide oversight and services for consumers and the mortgage loan origination industry.

Your Committee on Conference is encouraged by the communication between the parties affected by this measure. It is your Committee on Conference's hope that the relevant data continues to be shared. Your Committee on Conference therefore encourages the Division of Financial Institutions to provide more statistical information in the Department of Commerce and Consumer Affairs' annual report to the Legislature, such as the balance, revenues, and expenditures of the Mortgage Loan Recovery Fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a mortgage loan originator company shall pay a processing fee of \$35 for each control person and deleting the exemption for certain control persons;
- (2) Requiring an initial application fee of \$600 for a mortgage servicer company seeking a license to do business in Hawaii;
- (3) Removing the reporting requirement for the Commissioner of Financial Institutions detailing the implementation of Act 32, Special Session Laws of Hawaii 2009;
- (4) Inserting an effective date of upon approval; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1069, 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. 1069, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto and Evans.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 95 on S.B. No. 1388**

The purpose of this measure is to clarify:

- (1) The composition of the membership of the Board of Directors of the Research Corporation of the University of Hawaii (RCUH);
- (2) The role of RCUH and its Board of Directors;
- (3) The relationship between the Board of Directors and the University of Hawaii System;
- (4) The authorization of the Board of Directors with respect to the employment of an Executive Director; and
- (5) The authorization of RCUH with respect to construction contracts.

Your Committee on Conference finds that the fundamental mission of RCUH is to support the research and training programs of the University of Hawaii System and to enhance research, development, and training generally in Hawaii. However, concerns have been raised as to whether RCUH and its Board of Directors have been given a broader range of authority and flexibility than originally intended. This measure clarifies the role of RCUH and its Board of Directors, as well as the relationship between the Board of Directors and the University of Hawaii System.

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 S.B. No. 1388, 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. 1388, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Choy, Luke, Nakashima and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 96 on S.B. No. 1221**

The purpose of this measure is to appropriate funds to the University of Hawaii at Hilo to hire a program coordinator and a technical support staff member for an international flight training center and associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College.

Your Committee on Conference finds that pursuant to Senate Concurrent Resolution No. 156, S.D. 1, adopted during the Regular Session of 2012, the Legislature urged the creation of an exploratory committee to consider the establishment of an international flight training center and associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College.

Your Committee on Conference further finds that this measure will provide funding to complete the necessary studies and planning for the programs' future implementation.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the program coordinator and technical support staff member shall work in conjunction with the state aviation community;
- (2) Inserting an appropriation amount of \$100,000 for fiscal year 2013-2014 only; and
- (3) Making this measure effective on July 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 S.B. No. 1221, 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. 1221, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Espero, Kidani, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Choy, Nishimoto, Nakashima and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 97 on S.B. No. 606**

The purpose of this measure is to provide funds for the University of Hawaii to pay student employee salaries at new or expanded worksites on each campus and for full-time equivalent support staff for the Vice Chancellor for Students at the University of Hawaii at Manoa.

Your Committee on Conference finds that the hiring of students at the various campuses within the University of Hawaii System is beneficial to the University and the students. Students who work on campus tend to perform better academically than those who work off-campus.

Your Committee on Conference further finds that many students depend on part-time work while enrolled in school. The University of Hawaii at Manoa spends approximately \$22,000,000 to hire and employ students, yet more than 2,500 students could not find an on-campus job during the most recently completed semester. This measure will increase student employment throughout the University of Hawaii System, improve the financial status of students, and improve students' academic performance.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 for fiscal year 2013-2014;
- (2) Removing the unspecified appropriation for fiscal year 2014-2015;
- (3) Removing authorization for the Vice Chancellor for Students at the University of Hawaii at Manoa to hire an unspecified number of full-time equivalent (FTE) support staff;
- (4) Authorizing, rather than mandating, that funding priority be given to students employed for university programs supporting access, retention, and diversity over other student employees;
- (5) Making this measure effective on July 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. 606, 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. 606, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kidani, Kahele, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Choy, Luke, Takai and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 98 on S.B. No. 563**

The purpose of this measure is to:

- (1) Reconstitute the form and function of the Candidate Advisory Council of the Board of Regents of the University of Hawaii (Candidate Advisory Council);
- (2) Specify factors the Senate must consider in determining whether to confirm a nominee to the Board of Regents; and
- (3) Specify the process by which the Board of Regents shall elect its chair and vice chairperson.

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, your Committee on Conference finds that while the Candidate Advisory Council has nominated several outstanding appointees to the Board of Regents, a number of issues have arisen from the method of Regent selection that has hampered the work of the Candidate Advisory Council and led to questions regarding the final selection of appointees during the Senate confirmation process. The most recent example is the Senate's rejection of two of the Governor's nominees to the Board of Regents during the Regular Session of 2011. As such, the form and function of the Candidate Advisory Council need to be reconstituted to increase the Governor's ability to appoint qualified individuals to serve as Regents and effectively lead the University of Hawaii System.

Your Committee on Conference further finds that in confirming members of the Board of Regents, the Senate should consider the combination of abilities, breadth of experiences, and characteristics of the Board of Regents as a whole.

Your Committee on Conference has amended this measure by:

- (1) Administratively attaching the Candidate Advisory Council to the University of Hawaii;
- (2) Removing the requirement that the Candidate Advisory Council require Board of Regents candidates and members of their immediate families to disclose family relationships with University of Hawaii employees;
- (3) Providing the Candidate Advisory Council sixty days, rather than thirty days, to initiate the recruitment and evaluation of candidates for vacancies on the Board of Regents;
- (4) Increasing the number of Candidate Advisory Council members who shall be appointed by the Governor from four to five;
- (5) Removing the requirement that one member of the Candidate Advisory Council be a representative of the University of Hawaii Alumni Association;
- (6) Clarifying that the term of the member of the Candidate Advisory Council representing the Association of Emeritus Regents of the University of Hawaii (Association of Emeritus Regents) shall run concurrently with the term of the appointing Chair of the Association;
- (7) Removing the requirement that one member of the Candidate Advisory Council be a student;
- (8) Encouraging the Governor, President of the Senate, and Speaker of the House of Representatives to appoint full-time students and University of Hawaii alumni, in addition to faculty and staff, to the Candidate Advisory Council;
- (9) Providing that if a full-time student is appointed to the Candidate Advisory Council, the student shall have been enrolled as a full-time student for at least three consecutive semesters and shall serve a term of two years;
- (10) Clarifying that the members of the Candidate Advisory Council appointed by the President of the Senate and Speaker of the House of Representatives shall serve a term of four years;
- (11) Clarifying that the members of the Candidate Advisory Council appointed by the Governor shall serve a term of four years; provided that the appointments shall run concurrently with the term of the appointing Governor;
- (12) Specifying that the members of the Candidate Advisory Council whose terms have expired may continue as holdover members until a successor is appointed, subject to certain restrictions;
- (13) Clarifying that a vacancy on the Candidate Advisory Council during a term shall be filled for the remainder of the unexpired term by the appointing authority who appointed the member who created the vacancy;
- (14) Clarifying that the voting members, rather than all members, shall elect the chairperson of the Candidate Advisory Council;
- (15) Clarifying that a concurrence of a majority of the voting members of the Candidate Advisory Council, rather than all of its members, shall be necessary to validate any action taken by the Candidate Advisory Council;
- (16) Requiring the Candidate Advisory Council to meet annually and at all other times necessary;
- (17) Exempting the Candidate Advisory Council from the requirements of Hawaii's Sunshine Law in part I of chapter 92, Hawaii Revised Statutes;
- (18) Deleting the requirement that the Governor remove members of the Board of Regents only for cause;
- (19) Requiring the Board of Regents to elect a chairperson and one or more vice-chairpersons, rather than just one vice-chairperson, at its first meeting after June 30 of each year;
- (20) Clarifying the method by which each seat of the Candidate Advisory Council shall be filled once the terms of the members of the Candidate Advisory Council serving on the effective date of this measure have expired;
- (21) Making this measure effective upon its approval; and
- (22) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

It is the intent of your Committee on Conference that the current member of the Regents Candidate Advisory Council selected by the Chairperson of the Association of Emeritus Regents shall continue to serve as a voting member until that member's current term expires, after which time the member representing the Association of Emeritus Regents shall become a nonvoting member.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 563, 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. 563, S.D. 3, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Kidani, Ige, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Choy, Luke, Nishimoto and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 99 on S.B. No. 326**

The purpose of this measure is to establish and appropriate funds for a Good Agricultural Practices Task Force to identify and develop good agricultural practices and preventative measure guidelines in the food supply system to improve the overall safety of locally grown food.

Your Committee on Conference finds that food safety is vital to improving food production and food security in the State. This measure seeks to develop strategies to ensure safe food throughout the farm-to-consumer food supply system in order to mitigate health and food safety risks and increase consumer confidence in locally produced food.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that appropriated an unspecified amount of funds for administrative costs associated with the Good Agricultural Practices Task Force; and
- (2) Inserting an effective date of July 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 S.B. No. 326, 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. 326, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Kouchi, Ige, Thielen and Slom.

Managers on the part of the Senate.

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

Representatives Wooley, Belatti, Onishi, Cachola and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 100 on H.B. No. 762**

The purpose of this bill is to protect and preserve historic Washington Place, a center of social and political life in the Hawaiian Islands for over a century. Specifically, this measure:

- (1) Statutorily establishes the Department of Accounting and General Services as the agency responsible for preserving and protecting Washington Place, including the grounds and the historic residence situated on its premises;
- (2) Establishes the Washington Place Trust Fund (Fund) to pay for the administration, operation, management, and maintenance of Washington Place;
- (3) Prohibits moneys in the Fund from being transferred to the general fund or any other fund in the state treasury; and
- (4) Provides that all unencumbered and unexpended moneys in excess of an unspecified amount remaining on balance in the Fund at the close of June 30 of each year must lapse to the credit of the general fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions requiring that unencumbered and unexpended moneys from the Fund lapse to the credit of the general fund;
- (2) Changing its effective date to July 1, 2013; 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. 762, 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. 762, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takai, Takayama, Ito and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 101 on H.B. No. 536**

The purpose of this measure is to allow the Hawaii Public Housing Authority to refuse to select any applicant for, or terminate the tenancy of an individual residing in, state low-income housing if the applicant, tenant, or a household member owns or acquires a home within the State.

Your Committee on Conference has amended this measure by:

- (1) Specifying that parents of disabled veterans shall not use the veteran status of their adult child as a basis for a housing or tenant preference;
- (2) Changing its effective date to upon its approval; 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. 536, 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. 536, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 102 on H.B. No. 899**

The purpose of this measure is to restore the exemption from paying a pro rata share of central service expenses of state government for the Deposit Beverage Container Deposit Special Fund.

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. 899, 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. 899, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 103 on H.B. No. 1136**

The purpose of this bill is to appropriate an unspecified amount for the Hawaii Civil Air Patrol for fiscal years 2013-2014 and 2014-2015.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$150,000 for the Hawaii Civil Air Patrol for fiscal year 2013-2014, rather than fiscal years 2013-2014 and 2014-2015; and
- (2) Changing its effective date from July 1, 2150, to July 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. 1136, 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. 1136, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Takai, Ing, Yamane and McDermott.

Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 104 on H.B. No. 1279**

The purpose of this bill is to provide matching funds for competitively bid program expenses incurred for reintegration support, job training, employment placement, and case management for incarcerated persons who are reentering the community.

Your Committee on Conference has amended this measure by:

- (1) Deleting all references to matching funds;
- (2) Authorizing the Department of Labor and Industrial Relations until June 30, 2014, to receive monetary donations and to expend the moneys collected for reintegration of offenders;
- (3) Inserting an appropriation amount of \$250,000 for fiscal year 2013-2014 for expenses incurred for reintegration support, job training, employment placement, and case management, including through programs in partnership with the Department of Public Safety, for incarcerated persons who are reentering the community;
- (4) Changing its effective date from July 1, 2075, to July 1, 2013; and
- (5) Making technical 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. 1279, 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. 1279, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Aquino, Ing, Ichiyama and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 105 on H.B. No. 200**

**I. INTRODUCTION**

As submitted to the Legislature prior to the start of the 2013 Regular Session, the proposed general fund portion of the executive budget exceeded the revenue forecast of the Council on Revenues on an annual basis. The state general fund financial plan relied upon a carryover balance and revenue measures that the Legislature was not certain to adopt. As would be expected of any household or business, your Committee on Conference carefully scrutinized expenses in an effort to avoid a budget that could not be supported by realistic operating revenues.

Your Committee on Conference was conservative in its approach to fiscal matters and has successfully controlled growth in the budget. About \$253,000,000 was reduced from the Governor's general fund budget request over the upcoming fiscal biennium. As the economy begins to recover, your Committee on Conference's priority is to build a solid financial base upon which the State and its citizens may prosper.

In developing a measured budget for the executive branch of government for fiscal biennium 2013-2015, your Committee on Conference continued its adherence to the following principles:

- 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.

Although your Committee on Conference has substantially reduced the Governor's budget request, it still provided needed resources for education, important safety net programs, environmental protection, and modernization of the State's information technology infrastructure.

**II. ECONOMIC OUTLOOK**

While lingering concerns remain, economic data have generally been positive. Unemployment continues to decline, the housing market continues to improve, and financial markets have rallied to all-time highs. However, the effects of the federal budget sequestration, the congressional budget paralysis, and a potential European fiscal crisis are largely unknown. Sequestration is of particular concern, given its likely far-reaching impact and uncertainty on how programs, as well as the local economy, will ultimately be impacted.

The Congressional Budget Office (CBO), which produces ten-year economic forecasts for the congressional budget committees, expects economic growth to remain slow this year as gradual improvements to the economy will be offset by scheduled budgetary changes. CBO projects that the nation's real gross domestic product will grow by just 1.4 per cent this year, as measured by the change from the fourth quarter of 2012, and by 3.4 per cent next year due to improving economic factors. CBO also forecasts that the national unemployment rate will remain near 7.5 per cent through 2014 and will eventually fall to 5.5 per cent by the end of 2017.

The Federal Reserve, which is tasked with setting the United States' monetary policy, stated that they will continue to stimulate the economy and keep interest rates at exceptionally low levels until the unemployment rate falls to 6.5 per cent. Continued stimulation by the Federal Reserve, coupled with sluggish short-term growth forecasts, indicates that significant risks still exist and will continue to exist for the next couple of years.

Hawaii's economy is also experiencing positive growth, largely driven by a continued surge in the visitor industry. The Hawaii visitor industry experienced a 9.6 per cent growth in arrivals and an 18.5 per cent increase in visitor spending in 2012 compared to 2011, according to the Department of Business, Economic Development, and Tourism (DBEDT).

### III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (COR) reports its latest tax revenue forecast to the Governor and 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, COR has made significant forecast changes.

At the September 6, 2012, meeting, COR lowered their forecast for fiscal year 2012-2013 tax revenue growth from 5.3 per cent to 4.9 per cent, citing the reassessment of the cost of renewable energy tax credits as the basis for the decrease. COR subsequently raised their forecast at the January 3, 2013, meeting, from 4.9 per cent to 5.1 per cent, mainly citing a strong visitor industry and expansion in the overall economy.

At the most recent meeting on March 13, 2013, COR raised their fiscal year 2012-2013 forecast from 5.1 per cent to 6.7 per cent, in addition to raising their forecasts for fiscal years 2013-2014 and 2014-2015. COR based the revisions on the strong visitor industry and growth of the economy. The latest change in COR projections adds approximately \$343,000,000 in general fund revenues to the 2012-2013 fiscal year and the 2013-2015 fiscal biennium.

Your Committee on Conference notes, however, that COR also warned of potential adverse effects from sequestration relating to the federal Budget Control Act of 2011. Moreover, your Committee on Conference prefers to take a conservative approach in its assumption of future revenue growth and the funding of new programs that will require annual resources.

### IV. REDUCING UNFUNDED LIABILITIES

Over the past several years, the State has made significant progress on addressing the unfunded liability of the Employees' Retirement System (ERS). Measures taken to address this issue include reducing benefits for new employees, increasing the contributions made by new employees, establishing disincentives for spiking of benefits, and providing additional funding for the ERS. The State is now on a course that will allow it to fully resolve this liability.

Your Committee on Conference is also committed to addressing the other major unfunded liability of the State -- health benefits costs for public sector employees and retirees. An appropriation to prefund Other Post Employment Benefits (OPEB) will demonstrate the State's commitment to address the unfunded liability of the Employer-Union Health Benefits Trust Fund (EUTF).

Your Committee on Conference firmly believes that paying down the State's unfunded liabilities must be a priority, and not treated as a discretionary expense.

### V. BUDGET OVERVIEW

As adjusted for governor's message items, the Governor's general fund budget request adds \$526,000,000 for fiscal year 2013-2014 and \$693,000,000 for fiscal year 2014-2015. While these are significant sums, large portions are non-discretionary in nature.

The budget request includes \$78,000,000 each year to restore previously reduced labor costs. This amount represents the five per cent reduction in compensation that state workers have endured, but does not include funding of potential additional collective bargaining costs.

This cost and others, such as debt service, health premiums, retirement benefits, Medicaid, federal budget sequestration mitigation, and the State's first payments for its share of the EUTF's unfunded liability, amount to \$384,000,000 for fiscal year 2013-2014 and \$524,000,000 for fiscal year 2014-2015, or nearly three quarters of the Governor's general fund budget request.

The Governor also requested funds for several significant initiatives. Over the fiscal biennium, these initiatives include over \$60,000,000 for the Office of Information Management Technology, \$32,000,000 for an early learning program, and \$29,000,000 for a 1:1 digital device per student strategy. Many other requests were also made to restore or strengthen government services.

Your Committee on Conference evaluated the Governor's requests and funded those costs that pertain to core state functions, support programs for those in need, encourage economic growth, and lower future costs.

Your Committee on Conference does not support a budgeting philosophy that asserts that departments are entitled to base funding levels. Excess moneys from existing appropriations, and lower priority purposes, should be budgeted for higher-priority programs and services on a statewide basis. Budgetary accountability and transparency for the public regarding how and where state funds are expended is of critical importance to your Committee on Conference. Your Committee on Conference firmly believes that the communication of these expenditures to the Legislature is an integral step in the budgeting process.

In addition, total vacancies across all state departments represent \$168,000,000 in all sources of funds. These funds remain with the departments for their use. Your Committee on Conference does not condone the practice of holding positions vacant to utilize the funds for other purposes. Shifting of budgeted funds and development of budget details that do not accurately depict expected costs have and continue to frustrate the efforts of the Legislature.

Accordingly, your Committee on Conference made several significant adjustments, notably for the Departments of the Attorney General and Public Safety, that reflect the Committee's desire to budget funds in the manner that they are expected to be used. Through reduction of vacant positions, your Committee on Conference finds that it has already changed the budgeting behavior of the various departments. Your Committee on Conference appreciates the departments that, on their own initiative, volunteered to trade off



positions to keep those they felt were essential. Your Committee on Conference looks forward to continued efforts by the departments towards accountability and transparency in the budgeting process.

## VI. DEPARTMENT HIGHLIGHTS

### Human Services

Your Committee on Conference has taken the sensible approach of restoring and allocating funds for programs and operations that provide needed services and generate the most social benefit among Hawaii residents. The Department of Human Services has reported that, despite growth trends in Hawaii's economy overall, many of the State's assistance programs continue to experience increased enrollment, and the demand for services has left many of the Department's divisions operating beyond capacity.

The Department's Benefit, Employment, and Support Services Division programs reported a 2.8 per cent enrollment increase in Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) and a 4.8 per cent enrollment increase in general assistance beneficiaries. In fiscal year 2011-2012, the Med-QUEST Division reported enrollment increases of five per cent. Your Committee on Conference understands that many of the services and resources provided by the Department constitute a critical safety net for Hawaii's most vulnerable population and is mindful of its duty to provide adequate resources for human services programs.

Homelessness in Hawaii has been a major concern in recent years. The Department's Homeless Services program has implemented a Housing First initiative to address chronic homelessness through a rapid transition to housing and has sought to enhance available shelters by means of asset management and contract review. In support of the Administration's efforts and for the continued piloting of the Housing First program, your Committee on Conference has provided positions and \$997,806 in fiscal year 2013-2014 and \$595,612 in fiscal year 2014-2015 in general funds to address homelessness throughout the State.

Your Committee on Conference is committed to investing in Hawaii's youth and is mindful of the need to provide avenues of care for all children. Without proper programmatic support, outreach, and infrastructure, a child in need is more likely to experience hunger and homelessness and is statistically more likely to engage in criminal behavior. To address these concerns, your Committee on Conference has provided \$1,088,790 in fiscal year 2014-2015 to support the Voluntary Foster Care to Twenty-One project. Your Committee on Conference believes this program will successfully help foster children aged eighteen to twenty-one to gradually transition out of foster care and become financially stable and productive members of the community. Further, your Committee on Conference has also provided \$400,000 in general funds to expand the Youth Community Service Centers pilot program. These facilities will continue to provide alternatives to incarceration and reduce recidivism among juvenile offenders.

Rising national health care costs lead to higher Medicaid costs to the State and inevitably reduce funding available for other priorities in Hawaii's overall fiscal plan. More than thirteen per cent of the executive branch's general fund expenditures is devoted to capitation payments, and with the expansion of coverage through the Affordable Care Act (ACA), that percentage may rise. Your Committee on Conference understands that the high cost of health care is a national issue. Without a national solution to implement industry controls, the State must either fund the cost of care or sacrifice services. However, your Committee on Conference notes that Hawaii offers a Medicaid benefits package that is among the nation's most generous.

Your Committee on Conference finds growth in Medicaid without an accompanying effort in managing costs to be unsustainable. Your Committee on Conference recognizes that managed care payments for QUEST and QUEST Expanded Access in the state Medicaid program should be funded and appreciates the Department's efforts to thoroughly vet enrollment and capitation rate projections; however, your Committee on Conference would like to allow the Legislature an opportunity to address these untenable cost increases over the interim. To this end, your Committee on Conference has provided general funds in accordance with the Department's request for Medicaid health care payments for fiscal year 2013-2014 only, in the amount of \$43,153,802. For fiscal year 2014-2015, your Committee on Conference has provided an adjusted general fund amount of \$76,744,627 to encourage cost management initiatives and give the State time to more thoroughly evaluate the necessary funding for Medicaid health care payments in fiscal year 2014-2015.

Your Committee on Conference is also aware of the need to address the increases in enrollment levels and additional coverage requirements that come under ACA. The Department has identified a number of cost drivers and projects enrollment increases of roughly forty-six thousand individuals as a direct result of ACA. Further, under ACA, states will be required to reimburse primary care physicians for one hundred per cent of Medicaid costs, in contrast to the sixty per cent paid by Hawaii prior to ACA. While the federal government has agreed to fund the entire forty per cent increase through fiscal year 2013-2014, thereafter, the State must pay a fifty per cent share of the one hundred per cent Medicaid reimbursement to primary care physicians. Your Committee on Conference recognizes these imminent health care changes and associated costs; however, your Committee on Conference is also particularly aware of the variability with which the timing and rates of cost increases under ACA may occur. As such, your Committee on Conference has provided the Department's requested amount of \$20,195,448 in fiscal year 2013-2014 and the adjusted amount of \$25,203,267 in fiscal year 2014-2015 for the general fund portions of ACA related health care costs.

Your Committee on Conference acknowledges the Department's good faith efforts to restore reimbursements in acute care facilities and proactively implement seriously mentally ill client services, which would be mandated under ACA, in order to phase in additional coverage costs in the Med-QUEST Division. To this end, your Committee on Conference has provided for expenditures from the hospitals and nursing facilities sustainability special funds to supplement general and federal funds for these purposes.

Your Committee on Conference supports the Department's goals to provide timely service delivery and improve access to resources. Accordingly, your Committee on Conference has provided positions and funding throughout the Department to manage processing backlogs, restore critical personnel, and expedite the transformation and integration of information technology solutions, including \$1,500,000 in general funds and \$7,500,000 in federal funds for the Med-QUEST integrated eligibility system.

### Health

Your Committee on Conference acknowledges the Department of Health's role in providing health care and services to protect the well-being of people in Hawaii.

Your Committee on Conference recognizes the significance of caring for our kupuna and is aware of the need for a single, coordinated system of information and access for our elderly and disabled population. Your Committee on Conference recognizes the improvements that the Executive Office on Aging has made to our existing aging and disability resource centers in becoming fully-functional under federal standards. For example, the aging and disability center on Maui has recently become fully-functional by federal standards, with the other counties scheduled to follow shortly. Your Committee on Conference understands that the completion of this effort is dependent upon continued funding and, therefore, has provided \$1,400,000 in general funds to support this initiative.

Your Committee on Conference is also aware of the Hawaii's Long-Term Commission's recommendation to establish a public long-term care insurance program, to be funded primarily through premiums rather than general fund revenues. Therefore, your Committee on Conference has provided \$380,000 in general funds in fiscal year 2013-2014 for the Executive Office on Aging to conduct the necessary actuarial analysis to provide future design details for a public long-term care program for the working population.

The Department's Developmental Disabilities Division oversees the waiver program that provides home and community based services to individuals with a developmental disability. Your Committee on Conference is aware of the waiver program's difficulty in meeting the state matching fund requirement for federal Medicaid funds, especially in adhering to prior lawsuit settlements, which require a reasonable pace of new admissions into the waiver program. In addition, your Committee on Conference is cognizant of the federal government's concern over this program's state funding shortage and the risk of losing Medicaid funds if the program is not supported with additional state funds. As such, your Committee on Conference has provided \$1,500,000 in general funds for the waiver program. Further, your Committee on Conference has provided \$640,000 in fiscal year 2013-2014 and \$350,000 in fiscal year 2014-2015 in general funds to better reflect the program's portion of costs for shared contracts with the Department of Human Services.

Your Committee on Conference further finds that the Developmental Disabilities Division does not currently have an electronic health records system that meets privacy safeguard standards and reporting requirements as mandated by the Affordable Care Act. Your Committee on Conference understands that compliance with these requirements must be met by 2016 to avoid reduced federal reimbursements. Therefore, your Committee on Conference has provided \$1,000,000 in general funds in fiscal year 2013-2014 for the development and implementation of an electronic health records system that will meet federal requirements.

Your Committee on Conference understands how crucial it is to provide children with a safe, encouraging environment in which to develop, as well as to identify those children with developmental delays so that appropriate services can be provided. To this end, the Department's Early Intervention Program conducts comprehensive multi-disciplinary developmental evaluations for children and provides necessary services through community providers. Since this program was reduced during the economic downturn, it has faced a recurring deficit in serving Hawaii's special needs keiki. As such, your Committee on Conference has provided \$1,271,698 in general funds in fiscal year 2013-2014 to assist children with special health needs. To ensure a positive environment for childhood growth and development, your Committee on Conference supports the continued use of tobacco settlement special funds for the Home Visitation Program, formerly known as Healthy Start, that provides parenting and childhood health services and, therefore, has provided \$3,000,000 of those funds for this purpose.

Due to the closure of Hawaii Medical Center's hospitals in December 2011, the Department's emergency ambulance program has been tasked with meeting an increased demand for services. In an effort to continue to support growing emergency medical transportation needs, your Committee on Conference has provided \$1,300,000 in general funds in fiscal year 2013-2014 and \$1,000,000 in special funds in fiscal year 2014-2015 to reflect the increase in cigarette tax revenue to the Department. In view of the cigarette tax increase from .0075 cents per cigarette to .0125 cents that will revert to the Department effective July 1, 2013, your Committee on Conference has also provided for additional expenditures of \$5,300,000 for the state comprehensive trauma system and \$3,750,000 for community health centers in special funds.

Your Committee on Conference recognizes the importance of monitoring disease-carrying vectors for the betterment of State public health. Further, your Committee on Conference is cognizant of the reduction of these services during times of fiscal constraint. As such, your Committee on Conference has provided positions and \$73,920 in general funds in fiscal year 2013-2014 and \$147,840 in general funds in fiscal year 2014-2015 to increase vector surveillance at state ports of entry. In addition, your Committee on Conference has provided positions and \$223,771 in special funds in fiscal year 2013-2014 and \$480,804 in special funds in fiscal year 2014-2015 to improve sanitation health services inspection rates for food establishments throughout the State.

Your Committee on Conference supports efforts to improve health care coordination and increase access for all of Hawaii's residents. The Hawaii Health Information Exchange is a non-profit organization designated by the State to build the statewide health information exchange. Your Committee on Conference is cognizant that their five-year funding contract will be coming to an end, despite the vast amount of work ahead in improving Hawaii's health care information system. As such, your Committee on Conference has provided \$1,000,000 in general funds in fiscal year 2013-2014 to support the organization's efforts towards improving the State's health information technology. Your Committee on Conference has also provided positions and \$53,000 in general funds and \$961,250 in federal funds in fiscal year 2013-2014, and \$165,830 in general funds in fiscal year 2014-2015 for the Healthcare Transformation Initiative in the Office of the Governor. This initiative will help the State implement components of the ACA, as well as identify strategies to improve the delivery of healthcare in the State.

#### Hawaii Health Systems Corporation

Your Committee on Conference recognizes the Hawaii Health Systems Corporation's (HHSC) role as a principal health care provider for 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.

Hale Makemae is a program housed in Kula Hospital in Maui. It is the State's only twenty-four-hour long-term care facility for medically fragile, severely physically disabled, and developmentally disabled patients on the islands of Hawaii, Maui, and Oahu. These patients are bedbound and unable to participate in activities of daily living without trained assistance. In support of expanding the unique services at Hale Makemae, your Committee on Conference has provided \$800,000 in general funds for each year of the

2013-2015 fiscal biennium. These funds will be used to double the program's patient intake and subsidize a recurring operating deficit caused by unreimbursed Medicaid costs.

Further, in consideration of providing funds to maintain operations at HHSC hospitals, your Committee on Conference has provided \$1,000,000 in special funds for the operational deficit in Alii Community Care and Roselani Place. Roselani Place provides care to elderly individuals who need help with daily tasks but do not need the restrictive and full-time health care services of a nursing home.

#### 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.

Your Committee on Conference understands that the University system is experiencing unprecedented increases in enrollment; however, your Committee on Conference is concerned about the University's decision to continuously increase tuition without a clear nexus between the increases in tuition and the quality of education for students. Furthermore, your Committee on Conference remains unsettled by the University's salary determination process for its top executive and managerial staff, as well as its lack of financial transparency and accountability. Your Committee on Conference believes in the potential of the University to be an internationally recognized place of learning and sincerely hopes that bettering the educational experience for its students is the primary focus for the University when making decisions.

The University of Hawaii West Oahu (UHWO) opened its new Kapolei campus in Fall 2012. Your Committee on Conference supports UHWO's goal of raising the educational and economic attainment levels in the West Oahu region. Your Committee on Conference recognizes that with the initial opening, UHWO focused on providing academic and curriculum options for incoming students. Now that the campus is operational, your Committee on Conference recognizes the need to provide support for the campus and, therefore, has provided positions and \$3,000,000 in general funds.

Your Committee on Conference recognizes that the University of Hawaii Community Colleges play an indispensable role in providing post-secondary educational opportunities for those wanting to pursue higher education or specific technical skills. As such, your Committee on Conference realizes the importance of keeping community college tuitions low to provide more prospective post-secondary students with an alternative path to higher education. Your Committee on Conference also understands that unlike four-year institutions that have a larger student population, the community colleges lack the enrollment concentrations that would enable them to generate sufficient tuition revenues to meet their operational needs and, consequently, may not be as well-equipped in comparison. Therefore, your Committee on Conference has provided \$4,000,000 in general funds in fiscal year 2013-2014 and \$2,000,000 in general funds in fiscal year 2014-2015 for the operating expenses of community colleges statewide.

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 on Conference has provided positions and \$2,086,371 in general funds to build capacity for workforce growth and to support the growing needs of multi-media industries.

In addition, your Committee on Conference has provided positions and \$400,000 for the 'Ulu'ulu: Henry Ku'ualoha Giugni Moving Image Archive of Hawaii, which preserves film and videotape related to Hawaiian history and culture.

Your Committee on Conference recognizes the importance of tracking Hawaii's students to capture, analyze, and use student data from pre-school to high school, college, and the workforce. To this end, your Committee on Conference has provided \$100,000 for fiscal year 2013-2014 and \$200,000 for fiscal year 2014-2015 in general funds for the statewide longitudinal data system.

Your Committee on Conference acknowledges the significance of Science, Technology, Engineering and Math (STEM) initiatives at the University of Hawaii. Further, your Committee on Conference supports the University's role of advancing STEM education through outreach to pre-college students. Therefore, your Committee on Conference has provided positions and \$1,500,000 in general funds for STEM initiatives, which include supporting the Fostering Inspiration and Relevance through Science and Technology Pre-Academy. This program provides Hawaii's middle-school students in both regular education and charter schools statewide with hands-on, interactive learning opportunities across STEM subjects, which allow them to develop critical thinking skills to address real-world problems.

#### Education

Your Committee on Conference remains concerned with the Department of Education's management of state funds and resources in relation to its ability to meet the new assessments under the Common Core State Standards (CCSS), which were adopted by the Board of Education in June 2010. The new CCSS assessments are scheduled for implementation in the 2014-2015 school year.

Under Act 89, Session Laws of Hawaii 1996, the Legislature determined that the traditional centralized school system was not the best model to meet the needs of Hawaii's diverse student population. Thus, Act 89 began a systemic reform that envisioned "top-down support for bottom-up reforms" to provide individual schools with the flexibility and autonomy to develop and implement alternative administrative and instructional frameworks that would lead to better quality education and higher student performance. The Legislature's intent was to empower each school to be directly accountable for student achievement and "to put students first."

Although your Committee on Conference is encouraged by the Department's efforts to achieve the objectives of Act 89, your Committee on Conference finds that the Department is still mired in bureaucratic inertia. The Department's responses to your Committee on Conference's requests for information were reiterations of the inadequate information contained on budget forms and references to complying with the Department of Budget and Finance's budget instructions. While your Committee on Conference understands that the Department submits its budget in accordance with certain instructions, legislative review and oversight dictate that your Committee on Conference asks the probing and practical questions to determine what the funds will be used for and whether such use is appropriate under law, rule, or policy.

Your Committee on Conference has grave concerns with the Department's ability to monitor and track its resources. Your Committee on Conference requested a breakdown by categorical program of the appropriations reported by the Department that comprise the seventy per cent of appropriations that are supposed to be expended by principals pursuant to section 302A-1301(b), Hawaii Revised Statutes. However, your Committee on Conference was informed that it would take some time to compile because such a report is not usually prepared by the Department's budget branch.

Your Committee on Conference also requested a report of all temporary positions established by the Department under section 302A-1116, Hawaii Revised Statutes, which requires that each temporary position created by the Department not exceed a one year term. The law also requires the Department to report the creation of all temporary positions to the Department of Budget and Finance. Your Committee on Conference was advised that the Department has created approximately one thousand temporary positions, with many continuing from year to year. However, the Department has never reported any of these positions to the Department of Budget and Finance since the enactment of the law in 1996. Your Committee on Conference finds these actions, or lack thereof, disturbing.

Your Committee on Conference further notes the recent audit of the Department's \$92,000,000 food services program and its findings that mirror the audit of the student transportation program:

- (1) Unclear ownership of the food purchasing and meal payment collections processes;
- (2) Lack of oversight, monitoring, and accountability of purchases;
- (3) Insufficient controls in the payment collection process;
- (4) Lack of current and comprehensive purchasing policies and procedures;
- (5) Lack of technology in menu planning, ordering, and inventory;
- (6) Systemic failure to follow internal procedures regarding the completion and retention of required forms and supporting documentation; and
- (7) Undefined methods for staffing school kitchens, thus rendering the process susceptible to manipulation.

If the Department is unable to efficiently provide such essential services as school lunches and bus transportation, the latter of which is estimated to face an \$8,000,000 shortfall in each year of the fiscal biennium, how can it instill confidence that it will efficiently manage new programs such as the 1:1 digital device per student strategy in meeting the new CCSS assessments?

Your Committee on Conference's adjustments to the Department's budget reflect these ongoing concerns.

Your Committee on Conference acknowledges that public schools will be required to meet the new assessments under the CCSS in the coming 2014-2015 school year and that, under the recently negotiated employment contract, teachers' compensation will be tied, in part, to the assessment results. However, your Committee on Conference is hard pressed in finding that the 1:1 digital device per student strategy is the best means of meeting the CCSS assessments.

Your Committee on Conference is aware that Hawaii is one of twenty-five states in the SMARTER Balanced Assessment consortium of states. Your Committee on Conference requested information on what the other states in the consortium were doing to meet the CCSS assessment requirements and was provided with information on seven states. Although all seven states had employed computers or laptops in a 1:1 initiative, none of the states had done so specifically in response to meeting the CCSS assessments as Hawaii proposes to do. It appears premature for the Department to commit such resources and staff time to an initiative that is being pursued by only a handful of states on an anecdotal basis.

Your Committee on Conference has denied the Department's request for \$7,125,000 for fiscal year 2013-2014 and \$22,250,000 for fiscal year 2014-2015 for the 1:1 digital device per student strategy. Because of the concerns with implementation of the program, your Committee on Conference has instead provided \$8,219,659 for fiscal year 2013-2014, which the Department will use to undertake a pilot program.

Your Committee on Conference also has provided \$1,000,000 for the development of assessments in the Hawaiian language for Hawaiian language immersion students to more accurately measure their academic achievement. Your Committee on Conference strongly encourages the Board of Education to consult with Aha Kauleo, the University of Hawaii, the Office of Hawaiian Affairs, Kamehameha Schools, and other relevant organizations in the development grade specific assessments.

As one of the fundamental precepts of Act 89, your Committee on Conference maintains that state funds are best spent at the school level under the direction of principals. Your Committee on Conference further believes that any federal impact aid funds received by the State should be used at the school level to directly benefit students. Although your Committee on Conference understands that the Department proposes to move federal impact aid funds from the classroom to school support and replace it with general funds, your Committee on Conference would rather apply such federal dollars directly to the schools and classrooms.

To this end, your Committee on Conference has provided \$10,000,000 in federal funds for each fiscal year for weighted student formula (WSF), \$40,000,000 in federal funds for each fiscal year for regular instruction, and \$3,600,000 in federal funds for each fiscal year for special education in regular schools. Your Committee on Conference rejects the Department's proposal to add \$45,980,154 in federal funds in fiscal year 2013-2014 and \$46,774,111 in federal funds in fiscal year 2014-2015 for various programs in the school support program. The Department's proposal funds ancillary services, not direct classroom instruction. Your Committee on Conference's approach maintains use of federal impact aid funds only for school-based budgeting and special education.

Your Committee on Conference has also provided \$12,857,918 in general funds in fiscal year 2013-2014 for WSF to support student learning at our schools.

Your Committee on Conference acknowledges the Department's efforts to address problems with student transportation services. Your Committee on Conference remains optimistic that the Department will be able to break the cycle of tiered, non-competitive contracts, establish internal controls and accountability, and develop greater expertise and ownership within the Student Transportation

Division. Your Committee on Conference, however, is mindful that the Department remains less than forthcoming with information. In the initial phases of budget development, it was revealed that there was an \$8,000,000 shortfall and that the Department planned to use federal impact aid funds currently programmed for school based budgeting to cover the shortfall. Your Committee on Conference accepts this proposal for fiscal year 2013-2014 only, with the expectation that the Department will have made meaningful changes in the way it negotiates and contracts for transportation services by fiscal year 2014-2015 and will not require further funds to cover shortfalls. Your Committee on Conference further notes that this Legislature has passed specific measures intended to remove impediments and give the Department greater leeway in negotiating and contracting with transportation providers. This will allow the Department to leverage these statutory changes so as to engender greater competition, which will result in lower costs and a more efficient transportation system.

#### Early Learning

Your Committee on Conference supports early education for Hawaii's keiki and acknowledges that, with the upcoming change to the entrance age for kindergarten students, services will need to be made available for the estimated 3,472 unserved late-born four-year olds. Your Committee on Conference has provided \$315,000 in general funds for the Executive Office on Early Learning. However, your Committee on Conference has concerns as to how many families of these unserved four-year olds will actually seek day care services and whether the projected service capacity can be achieved.

To assist in the transition of the program, your Committee on Conference has provided one temporary position and \$125,000 in federal funds for both fiscal years for the Head Start coordinator to work on early learning program coordination.

#### Charter Schools

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 on Conference has provided \$1,074,881,407 in fiscal year 2013-2014 and \$1,043,025,951 in fiscal year 2014-2015 in general funds 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 has projected regular education enrollments of 175,868 students for fiscal year 2013-2014 and 172,493 for fiscal year 2014-2015, which does not include the Department's projected 5,100 junior kindergarten students. This equates to a funding amount of \$6,111.86 per student for fiscal year 2013-2014 and \$6,046.77 for fiscal year 2014-2015.

Your Committee on Conference used projected student enrollment figures provided by charter schools of 10,541 for fiscal year 2013-2014 and 11,254 for fiscal year 2014-2015 in its calculation of an appropriate funding level. Under use of these enrollment figures, the charter schools' general fund appropriations must be \$64,428,297 for fiscal year 2013-2014 and \$68,392,955 for fiscal year 2014-2015 to achieve a per pupil funding amount equal to regular education students. Thus, your Committee on Conference has adjusted the executive budget request to add \$127,557 in fiscal year 2013-2014 and \$3,752,771 in fiscal year 2014-2015 in general funds to achieve this end.

Projected student enrollment and comparable funding for charter school and regular education students remains an ongoing concern. Counts can fluctuate dramatically, as evidenced by the inclusion of the student-count from five new charter schools, their removal from the count, the reinstatement of two schools, and then the removal of one school due to a deferred opening. Your Committee on Conference finds that the requirement under 302D-28(c), Hawaii Revised Statutes, that the Director of Finance make an appropriate adjustment based upon actual student enrollment effectively accounts for the imprecise student enrollment projections and provides each agency with comparable non-facility funding.

#### Libraries

Your Committee on Conference finds that services provided by public libraries reach a broad spectrum of the population and are an invaluable public resource. Further, your Committee on Conference remains mindful of the need to modernize public library services to keep pace with advancements in technology and to update and maintain the circulated materials. Accordingly, your Committee on Conference has provided \$700,000 in general funds for fiscal year 2013-2014 for the purchase of books, e-book subscriptions, and other circulated materials.

#### Hawaiian Home Lands

In 1978, the following provisions were added to article XII, section 1 of the State Constitution:

The proceeds and income from Hawaiian home lands shall be used only in accordance with the terms and spirit of such Act. The legislature shall make sufficient sums available for the following purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the department of Hawaiian home lands; in furtherance of (1), (2), (3) and (4) herein, by appropriating the same in the manner provided by law.

In 2007, *Nelson v. Young*, Civil No. 07-1-1663-08 BIA, a suit for declaratory and injunctive relief was filed in the First Circuit Court against the Director of Finance and the Hawaiian Homes Commission (Commission). The Attorney General has provided your Committee on Conference with information regarding the lawsuit. The Committee on Conference understands that plaintiffs asked the court to declare that the Commission and the Director are required to budget and request, and the Legislature is required to appropriate, "sufficient sums" to enable the Department of Hawaiian Home Lands (DHHL) to fulfill each of the four purposes set out in the 1978 addition to article XII, section 1 of the State Constitution. Your Committee on Conference further understands that plaintiffs also asked the court to prospectively enjoin the Commission from entering into general leases of the "available lands," and to instead require that the Commission rely solely on "sufficient sums" appropriated by the Legislature to fund its implementation of the Hawaiian Homes Commission Act (HHCA), 1920, enacted by Congress. Under the HHCA, receipts from general leases are the principal source of funding for DHHL's homesteading and other programs.

After concluding that the political question doctrine prevented the court from judging the plaintiffs' claims, the circuit court dismissed the plaintiffs' complaint and entered judgment in favor of the Director of Finance and the Hawaiian Homes Commission. The plaintiffs appealed the judgment to the Intermediate Court of Appeals (ICA). The ICA concluded that the plaintiffs' demand for legislative funding for all four constitutionally specified purposes was not barred by the political question doctrine. It vacated the circuit court's judgment and remanded the case back to the circuit court to determine what constituted "sufficient sums." The Director of Finance petitioned the Hawaii Supreme Court to review the ICA's decision; the Hawaiian Homes Commission did not file an appeal.

The ICA's judgment was affirmed in part, and vacated in part, by the Hawaii Supreme Court. *Nelson v. Young*, 127 Haw. 185, 277 P.3d 279 (2012). The Supreme Court ruled that a court could determine what constituted "sufficient sums" for DHHL's administrative and operating expenses only, but not for the other enumerated purposes. The Supreme Court held, "[i]t is clear that the constitutional delegates intended to require appropriation of 'sufficient sums' to relieve DHHL of the burden of general leasing its lands to generate administrative and operating funds, and to that end, they identified the minimum funding necessary for such expenses." 127 Haw. at 203, 277 P.3d at 297. With respect to that amount, the Court stated, "[a]t a minimum, funding at or above the \$1,300,000 to \$1,600,000 envisioned in 1978 [presumably . . . adjusted to reflect the impact of factors such as inflation or increased collective bargaining costs] would be required." *Id.*

Your Committee on Conference understands that the case will be remanded to the circuit court to determine what constitutes "sufficient sums" for DHHL's administrative and operating expenses, as soon as the Supreme Court rules upon the plaintiffs' counsels' motion for attorneys' fees and costs on appeal.

Your Committee on Conference does not wish to intrude upon or influence the pending court proceedings. However, your Committee on Conference recognizes that administrative and operating costs will be incurred and that both DHHL and the Governor have included requests for general fund appropriations for DHHL's administrative and operating expenses for the 2013-2015 fiscal biennium. As such, your Committee on Conference has provided \$9,632,000 in general funds for DHHL's administrative and operating expenses.

#### Accounting and General Services

One important function of the Department of Accounting and General Services is the timely production of the State's comprehensive annual financial report (CAFR). Due to publication delays that negatively impacted state bond ratings, the Department was authorized to hire a private accounting firm in fiscal year 2011-2012. However, your Committee on Conference recognizes the cost-savings and enhanced oversight that can be achieved by producing the CAFR in-house. As such, your Committee on Conference has provided positions and \$96,724 in fiscal year 2013-2014 and \$49,048 in fiscal year 2014-2015 in general funds to transition the responsibility back to the Department.

Your Committee on Conference understands the vital importance of preserving historical documents for ensured access in the future. Therefore, your Committee on Conference has provided \$262,500 in general funds in fiscal year 2013-2014 and \$325,090 in special funds in fiscal year 2014-2015 for the digital archives project at the Hawaii State Archives.

In order to ensure the State's assets and liabilities are adequately protected, proper insurance coverage is essential. Risk is present in the delivery of all government services and is coupled with costlier litigation and complex intergovernmental risk pools. The State is challenged with unique risks and a significant scope of coverage that could affect budgetary stability and potentially result in catastrophic financial losses. Your Committee on Conference understands the importance of a comprehensive risk management plan and has provided \$4,700,000 in general funds for property, liability, and crime insurance coverage over fiscal biennium 2013-2015.

#### Office of Information Management and Technology

The Office of Information Management and Technology (OIMT) has laid the groundwork to transform the use of technology throughout the State. OIMT strives to make access to state government more responsive and secure while enhancing service delivery to both the public and government employees. The administration continues to promote the State's information technology infrastructure needs as a high priority.

The Information Resource Management Transformation Strategic Plan has outlined the specific projects necessary to enhance security, privacy, and governance. Your Committee on Conference understands how crucial it is to continue to support OIMT as the Plan enters the implementation phase. Your Committee on Conference also recognizes the need to revolutionize information technology within the State. In support of these efforts, your Committee on Conference has provided positions and \$18,811,090 in fiscal year 2013-2014 and \$14,358,110 in fiscal year 2014-2015 in general funds to launch the strategic plan.

#### Budget and Finance

Fixed costs for debt service, the Employees' Retirement System (ERS), and health benefit payments comprise nearly one-third of the State's total general fund budget. These components require annual adjustments based upon assumptions for interest rates, payroll increases, and membership growth, which are beyond your Committee on Conference's ability to modify on a near term basis.

Your Committee on Conference recognizes that the State's positive fiscal condition is the result of financial prudence exhibited over the last two years. As previously indicated, your Committee on Conference is mindful of the opportunity to address the State's growing unfunded liability for Other Post-Employment Benefits (OPEB). As such, your Committee on Conference has provided \$100,000,000 in fiscal year 2013-2014 and \$117,400,000 in fiscal year 2014-2015 in general funds to begin prefunding OPEB. Although your Committee on Conference is aware that these amounts are not fully reflective of the proposed thirty year amortization schedule, your Committee on Conference finds this to be a necessary step toward reducing the State's unfunded OPEB liabilities.

Your Committee on Conference also requests the Director of Finance to explore ways to assess non-general funds for the reasonable and equitable portion of the unfunded liability of retirees whose salaries were paid from the non-general funds.

Your Committee on Conference finds that paying the additional amounts of the ERS unfunded liability attributable to spiking with new general fund appropriations will not encourage state agencies to deter the activity. Thus, your Committee on Conference has provided \$2,000,000 in fiscal year 2013-2014 and \$4,000,000 in fiscal year 2014-2015 in interdepartmental transfers from state agencies to make payments for the ERS unfunded liability attributable to employees spiking their pension benefits. Your Committee on Conference has directed the Director of Finance to transfer the funds based upon an assessment.

Your Committee on Conference acknowledges the Public Utilities Commission's operational efficiencies despite its limited office space. Your Committee on Conference has provided \$3,980,000 of the Commission's revenue surplus to be reinvested in the form of office expansion and renovation for the Commission.

#### Public Safety

Your Committee on Conference understands that economic conditions have caused a significant rise in energy costs. Despite efforts to reduce energy usage, increases in electricity and utility rates have driven utility costs beyond the Department of Public Safety's authorized budget. Thus, to accommodate cost increases, your Committee on Conference has transferred \$3,312,295 in fiscal year 2013-2014 and \$3,491,253 in fiscal year 2014-2015 in general funds from the Department's administration program account to several facilities for rising energy and sewer costs. Outdated security and rising food costs have also adversely impacted the Department's budget. Your Committee on Conference understands the need for improved safety measures and healthy meal options. Therefore, your Committee on Conference has provided \$1,046,338 in fiscal year 2013-2014 and \$945,751 in fiscal year 2014-2015 in general funds for updated cameras, phone systems, and food services.

Your Committee on Conference recognizes the need for the visual presence of deputy sheriffs in public buildings as a deterrent to potential problems. In particular, the presence of deputy sheriffs to provide security in the State's courthouses is necessary to protect the public and ensure the safe and efficient operations of the Judiciary. Your Committee on Conference notes that significant safety and security threats were identified throughout public access points for several judiciary facilities. As a result, Your Committee on Conference has provided positions and \$321,518 in fiscal year 2013-2014 and \$528,313 in fiscal year 2014-2015 in general funds for the provision of security in Oahu, Hawaii, and Maui courts.

Your Committee on Conference understands the importance of restoring prison services and returning inmates to Hawaii. The Department seeks to transform the current correctional system in an effort to lower recidivism rates while providing mental health and career services. Your Committee on Conference supports the Justice Reinvestment Initiative and has provided for the transfer of \$4,337,824 in fiscal year 2013-2014 and \$7,258,243 in fiscal year 2014-2015 in general funds from non-state facilities to local facilities to reopen the Kulani Correctional Facility and facilitate the transition of inmates and services back to Hawaii.

#### Land and Natural Resources

The Department of Land and Natural Resources is committed to protecting, conserving, and managing Hawaii's unique and limited natural, cultural, and historic resources.

Your Committee on Conference recognizes the Department's efforts 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. The Department launched the *Rain Follows the Forest Initiative* last year, which identifies and protects high priority watershed areas. With the Legislature's support, the Department was able to protect and maintain over one hundred sixty thousand acres of watersheds in fiscal year 2012-2013. In order to continue this initiative, your Committee on Conference has provided positions and \$3,500,000 in general funds in fiscal year 2013-2014 to increase watershed protection throughout the State.

Invasive species are extremely detrimental to Hawaii's native ecosystems and natural resources. Your Committee on Conference is aware of the increase in invasive species over the past two years, including the increasing population of axis deer and fire ants on the Big Island and Maui, and the first detection of mongooses on Kauai, which previously served as a seabird refuge. Your Committee on Conference is also cognizant of the fiscal need to control invasive species now, to avoid exponentially increased costs of addressing invasive species damage in the future. Therefore, your Committee on Conference has provided \$750,000 in general funds to the Hawaii Invasive Species Council. These funds will be used as part of a competitive grant funding process for invasive species prevention, control, and outreach. In addition, your Committee on Conference is conscious of the growing invasive algae problem in Kaneohe Bay and the Department's recent success in combating the algae with the introduction of indigenous sea urchins. As such, your Committee on Conference has provided \$229,932 in general funds to continue the Department's Super Sucker project that removes the invasive algae from Kaneohe Bay.

Your Committee on Conference is mindful of the Department's efforts to accommodate the increase in visitors to Hawaii's State Parks, despite limited funding. Therefore, your Committee on Conference has provided \$442,000 in general funds for the State Parks Division's recurring payroll deficit and \$300,000 in general funds for rising electricity costs. Your Committee on Conference has also provided \$500,000 in fiscal year 2013-2014 and \$1,000,000 in fiscal year 2014-2015 in special funds for the State Parks Division to utilize their revenues from state park fee increases. In addition, your Committee on Conference has provided maintenance positions for the new Diamond Head Linear Park and Kauai District State Parks, to be funded with these increased fee revenues.

Your Committee on Conference is aware of the Department resorting to state parks special funds to fund required lifeguard services, at the expense of parks' repair and maintenance. Thus, your Committee on Conference has provided \$200,000 in general funds to support lifeguard services throughout the State. Your Committee on Conference has also provided \$100,000 in fiscal year 2013-2014 for land appraisals and other studies at Turtle Bay on the island of Oahu.

Hawaii's State Historic Preservation Division works to preserve Hawaii's rare historical and cultural sites. Your Committee on Conference is cognizant of the Division's recent federal review and the resulting corrective action plan requiring the Division to maintain a minimum staffing level, among other stipulations, in order to avoid federal funding decreases. As such, your Committee on Conference has provided positions and \$122,448 in general funds to support federally required positions, as well as \$62,400 in fiscal year 2013-2014 and \$44,900 in fiscal year 2014-2014 in special funds for the Division to upgrade its computer systems in compliance with federal equipment requirements.

Your Committee on Conference is aware of the recurring payroll shortage in recreational fisheries and the potential to exponentially increase federal funds with minimal state matching funds. Therefore, your Committee on Conference has provided \$150,000 in general funds that will generate an additional \$450,000 in federal funds to allow the program to meet payroll and perform various statewide projects, such as stocking rainbow trout for the Kokee Fishing area on Kauai, maintaining and constructing artificial reefs, and continuing Maui-Oahu marine resource assessments.

#### Agriculture

Agriculture is an integral part of Hawaii's economy. Your Committee on Conference is aware that the Department of Agriculture's primary responsibilities are to promote agricultural sustainability and protect the State from invasive species. Your Committee on Conference is dedicated to promoting self-sufficiency, conserving resources, and preventing the introduction and proliferation of invasive species in the State.

Your Committee on Conference recognizes the need to attract farmers and ranchers to ensure a sustainable and secure future for the State's food supply. Therefore, your Committee on Conference has provided \$750,000 in general funds in fiscal year 2014-2015 for low interest rate loans and to enhance Hawaii's locally grown food sources and reduce our dependence on imported food.

Your Committee on Conference acknowledges the progress made by the Department's Agricultural Resource Management Division and the need to supplement existing operations in order to accommodate the Division's growing list of capital improvement projects for irrigation systems and agricultural parks. As such, your Committee on Conference has provided engineer positions and funding to enhance operational capacity and focus on improvements to pastures and the expansion of the Kunia irrigation system.

Your Committee on Conference is conscious of the threat of invasive species to the State and supports the Department's efforts to improve awareness, interception, and enforcement practices. To this end, your Committee on Conference has provided positions and \$505,098 in fiscal year 2013-2014 and \$639,196 in fiscal year 2014-2015 in general funds for plant, pest, and bio control programs and \$215,568 in general funds for the Maui Plant Quarantine Inspector positions, where federal funding was recently reduced. Further, your Committee on Conference has provided positions and \$162,540 in general funds for the Detector Dog Program in Honolulu Airport to intercept illegal invasive species.

#### Business, Economic Development, and Tourism

As a public entity, the State has the unique capacity to develop policies and strategies and make investments that promote job growth, industry development, and financial stability to the benefit of all Hawaii's citizens. Your Committee on Conference supports the Department of Business, Economic Development, and Tourism's efforts to generate long term economic stability through strategic multi-industry investments, business community outreach and development, and the maximization of federal funds.

The Department has identified key investment opportunities over the upcoming fiscal biennium that are expected to help promote and sustain positive growth trends throughout the economy. Through strategic implementations of business incubators and accelerators, international tradeshows, and partnerships with innovative industries, the Department has demonstrated Hawaii's potential as a strong, productive leader in a globally-competitive market. As such, your Committee on Conference has provided funds to targeted areas that are expected to augment and maximize the Department's efforts. Among these general funded investments are: \$50,000 in fiscal year 2013-2014 for the Hawaii fashion industry; \$175,877 in fiscal year 2013-2014 and \$250,000 in fiscal year 2014-2015 for the Small Business State Trade Export Promotion program, which will receive a federal match of \$1,000,000; \$75,000 in fiscal year 2013-2014 for the operation of the Beijing and Taipei out of state offices; and \$100,000 for economic studies to track consumer trends and industry growth in Hawaii.

While the tourism industry continues to grow, your Committee on Conference is aware that the State is approaching visitor capacity. However, your Committee on Conference is also cognizant of various emerging industries that have already experienced or anticipate significant growth potential. Clean energy has proven to be a primary area of growth and activity in Hawaii's economy. Still on track to achieve Hawaii's seventy per cent clean energy goal by 2030, Hawaii has already ranked among the top three states in the nation for solar water heaters and performance contracting per capita, power purchase agreements, cumulative installed photovoltaic capacity per capita, and clean energy job growth. In support of continuing these positive trends, as well as to mitigate the risk of the State's tourism industry reaching a plateau, your Committee on Conference has provided \$1,855,000 in special funds and \$10,468,000 in other federal funds for clean energy initiatives and continued public private partnerships to develop advanced low emission and zero emission vehicles centered on electric drive technologies.

Your Committee on Conference is also mindful of the growing interest, support, and progress of aerospace projects and technologies and recognizes the importance of timely investment in a potentially landmark industry. To this end, and in accordance with the foresight of prior legislative bodies, your Committee on Conference has provided general funds to allow for continued operations of the Challenger Center Hawaii and Pacific International Space Center for Exploration Systems in the amount of \$248,656 and \$400,000, respectively.

Prior year reductions to the Department's budget and personnel resources continue to inhibit the Department's ability to capitalize on investment opportunities and perform various statutorily mandated duties in a timely manner. Your Committee on Conference recognizes the need to address these operational deficiencies and has worked with the Department to restore critical positions and target strategic investments. To this end, your Committee on Conference has provided positions in various divisions to support operational efficiency and oversight throughout the Department. Your Committee on Conference expects that with these added positions, the Department can accommodate the growing private sector demand for services, such as land use petitions and film permits, and utilize additional administrative and clerical support to diminish internal inefficiencies.

#### Commerce and Consumer Affairs

Your Committee on Conference recognizes the Department of Commerce and Consumer Affairs' role in delivering consumer protection services, including consumer education outreach and commerce regulation. Your Committee on Conference is concerned about unlicensed contracting and advocates education as a way to mitigate this concern. As such, your Committee on Conference has



provided \$612,922 in special funds for the Mortgage Foreclosure Dispute Resolution Program and \$150,000 in special funds to support consumer education campaigns over the 2013-2015 fiscal biennium.

#### Attorney General

Your Committee on Conference is aware that the federal government has decreased the percentage of federal funds that the Department of Human Services (DHS) may use to compensate the Department of the Attorney General for representation in Title IV-E cases from thirty-one per cent to twenty-five per cent. To better serve the Division, your Committee on Conference recognizes that the ability to manage more Title IV-E cases requires the Family Law Division to lease a space in closer proximity to the Family Law Court in Kapolei, Oahu. To this end, your Committee on Conference has provided \$145,000 in general funds for lease payments in the new Kapolei location.

Your Committee on Conference recognizes the importance of providing services to victims of crime. Therefore, your Committee on Conference has provided \$200,000 in fiscal year 2013-2014 in general funds to collect, compile, and disseminate timely and accurate restitution information to victims throughout the State. Your Committee on Conference is also cognizant of the fact that a substantial and disproportionate number of serious crimes are committed by repeat offenders. Your Committee on Conference wishes to assist in creating a safer community by focusing prosecution on repeat and violent offenders. In order to better protect the public from repeat offenders and to provide services and counseling to crime victims, your Committee on Conference has provided \$850,000 in general funds for the Career Criminal Prosecution Program and Victim Witness Program.

Your Committee on Conference has provided \$127,000 in fiscal year 2013-2014 and \$200,000 in fiscal year 2014-2015 in general funds for maintenance and operating costs for the Automated Fingerprint Identification System, which is essential to the operations of law enforcement and is used on-site by law-enforcement agents to conduct criminal background checks using both fingerprints and photo identification.

#### Taxation

Your Committee on Conference understands that in order to enhance the State's tax revenue stream, it is essential to modernize the tax system. Currently, the Department of Taxation lacks the tools necessary to efficiently collect proceeds that fund important state programs. Therefore, your Committee on Conference has provided positions and \$1,572,070 in fiscal year 2013-2014 and \$4,062,808 in fiscal year 2014-2015 in general funds to expedite the modernization. This funding will improve the State's ability to effectively manage tax collection and streamline operations to ultimately improve service delivery, access, and returns processing in the State's tax system.

#### Transportation

Your Committee on Conference understands the significance of managing the State's public airports, commercial harbors, and highways. Your Committee on Conference has provided funds for debt service payments for both the airports special fund and harbors special fund. This will allow for modernization and refurbishment of airport and harbor facilities across the State. Your Committee on Conference has also provided \$87,000,000 in special funds in fiscal year 2014-2015 for various special repair and maintenance projects across the State's airports, harbors, and roadways.

The Aloha Tower Development Corporation has presented complicated issues for your Committee on Conference in the past. As the partnership with Hawaii Pacific University continues to develop, your Committee on Conference supports this long-awaited movement toward committed investment in Aloha Tower by adding an administrative professional to manage the project. Your Committee on Conference has also approved special funds for a consulting contract for a Highways State Safety Oversight Agency that will work with the new rail-safety oversight officer at the Honolulu Authority for Rapid Transit on the Honolulu Rail Transit project.

Your Committee on Conference recognizes that airports are the primary means for travelers entering and leaving the State and that the Honolulu International Airport receives the bulk of incoming overseas travelers. Your Committee on Conference is dedicated to ensuring that the initial reception and last impression of travelers passing through Hawaii's airports is positive. For this purpose, your Committee on Conference has provided thirty-two janitorial positions and \$755,153 in fiscal year 2013-2014 and \$1,510,306 in fiscal year 2014-2015 in special funds to ensure that the Honolulu International Airport is well-maintained and instills a lasting impression of aloha.

#### Defense

Your Committee on Conference is aware of the positive impact tuition assistance programs can make for Hawaii National Guard service members. As such, your Committee on Conference has provided \$100,000 in general funds to support recruitment and retention by means of reimbursing service members for post-secondary education costs.

Your Committee on Conference acknowledges the importance of caring for our veterans. Therefore, your Committee on Conference has provided five additional Veterans Services Counselors and \$474,196 in general funds to support veterans across the State.

#### Labor and Industrial Relations

Your Committee on Conference recognizes that prior year reductions have greatly affected the day-to-day operations of the Disability Compensation Division (DCD). Current staffing levels have limited the Division's ability to meet its duties, as described in Act 206, Session Laws of Hawaii 2011, resulting in worker's compensation claim decisions taking up to four months. The Division also faces an increasing number of cases for temporary disability insurance claims. It is the priority of your Committee on Conference to reduce the growing backlog of DCD cases and help the Department of Labor and Industrial Relations address these pressing cases for the State. To this end, your Committee on Conference has provided positions and \$244,000 in fiscal year 2013-2014 and \$488,000 in fiscal year 2014-2015 in general funds to alleviate the backlog of disability compensation cases.

Human Resources Development

Your Committee on Conference understands the need for adequate staffing to fulfill departmental responsibilities. The Department of Human Resources Development has struggled to complete timely and effective recruitment actions as a result of significant budget cuts in prior years. Therefore, your Committee on Conference has provided positions and \$104,826 in fiscal year 2013-2014 and \$190,452 in fiscal year 2014-2015 in general funds to address these deficiencies and alleviate the vacancy backlog throughout the State.

Your Committee on Conference is aware of the rising cost and occurrence of workers' compensation claims as well as the Department of Human Resources Development's responsibility to pay such claims to injured state employees as required by state law. To this end, your Committee on Conference has provided \$457,000 in fiscal year 2013-2014 and \$545,000 in fiscal year 2014-2015 in general funds for these obligations.

**VII. CAPITAL IMPROVEMENTS PROGRAM**

Your Committee on Conference finds that the State's economic outlook continues to improve steadily. The infusion and investments made in state facilities over the past biennium has contributed to overall savings for our residents and has produced a steady increase in job creation for the construction industry as well. However, despite the increase in revenue collections and strengthening fiscal year ending balances, your Committee on Conference acknowledges that construction and service industries have not yet returned to pre-recession levels. Your Committee on Conference recognizes the need to support a sustained capital improvement program that will diversify the State's economy, while streamlining government operations in a responsible manner.

Accordingly, your Committee on Conference has provided \$980,506,000 in general obligation and general obligation reimbursable bonds and \$2,246,060,000 in all means of financing for fiscal year 2013-2014; and \$387,346,000 in general obligation bonds and \$843,817,000 in all means of financing in fiscal year 2014-2015.

While developing the capital improvement project budget, your Committee on Conference recognized the need to address the repair and maintenance and health and safety project backlogs that continue to plague the State's agencies and departments. Your Committee on Conference believes that this capital improvement project budget addresses the most basic necessities of many state facilities and remains cautiously optimistic about the future growth and technological advancement of state operations.

Highlights of the capital improvement project budget for the biennium include over \$454,009,000 in appropriations for the Department of Education to address school improvements, upgrades, and renovations. Appropriations for the Department of Education include funding for critical issues at many existing school campuses, such as the modernization project at Farrington High School. In addition, your Committee on Conference acknowledges the importance of investing in the future needs of the State's keiki and thus has provided funding for a number of new schools across the State, including East Kapolei Middle School, East Kapolei High School and Kihei High School.

To help the University of Hawaii address the needs of campus facilities statewide, your Committee on Conference has approved over \$233,094,000. Of those funds, \$30,000,000 has been designated for renovations and improvements of Snyder Hall at the University of Hawaii Manoa campus and \$50,000,000 has been designated for capital renewal and deferred maintenance of facilities statewide. Furthermore, your Committee on Conference sought to invest in the community college system by appropriating \$38,213,000 for the new advanced technology and training center at the Honolulu Community College, as well as \$10,000,000 for minor capital improvement projects for all community college facilities.

Your Committee on Conference has continuing concerns for the State's transportation infrastructure, which is a vital component of the State's long-term economic viability. Investment in airports, harbors, and highways is necessary to address the continued influx of visitors, the efficient transport of goods within and without the State, and the day-to-day needs of our residents. Your Committee on Conference has demonstrated its commitment to transportation projects by appropriating, for fiscal biennium 2013-2015, \$1,275,747,000 for the Department of Transportation, including \$299,696,000 for state highways on every island.

Your Committee on Conference believes that the capital improvement projects within this budget will help the State to maintain the long-term viability of its current facilities, while also laying the foundation for the State to improve its operating efficiency through technological infrastructure development and modernization.

**VIII. CONCLUSION**

Your Committee on Conference has adjusted the Governor's operating budget request by providing through this measure:

- (1) \$6,036,556,466 in general funds and \$11,819,318,188 in all means of financing for fiscal year 2013-2014; and
- (2) \$6,123,494,985 in general funds and \$11,988,000,674 in all means of financing for fiscal year 2014-2015.

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. 200, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Kidani, Chun Oakland, Dela Cruz, English, Espero, Kahele, Keith-Agaran, Kouchi, Ruderman, Thielen, Tokuda and Slom.

Managers on the part of the Senate.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

Representatives Luke, Cullen, Hashem, Ing, Jordan, Kobayashi, Lowen, Morikawa, Nishimoto, Onishi, Takayama, Tokioka, Woodson, Yamashita, Fukumoto, Johanson and Ward.

Managers on the part of the House.

Ayes, 17. Noes, none. Excused, none.

**Conf. Com. Rep. 106 on H.B. No. 222**

Your Committee on Conference recognizes the significance of the services and advocacy that the Office of Hawaiian Affairs (OHA) provides its beneficiaries and acknowledges the need to ensure that OHA has sufficient resources to continue these services.

Your Committee on Conference has provided \$250,000 in general funds and \$250,000 in trust funds for 'Oiwai Television, Hawaii's first and only Native Hawaiian television station. Your Committee on Conference is cognizant of OHA's focus on educational enrichment programs in the community, especially for Native Hawaiian K-12 programs. As such, your Committee on Conference has provided \$134,430 in general funds and \$134,430 in trust funds for OHA to enhance academic services for its beneficiaries. Your Committee on Conference understands the importance of health care and making health services accessible. To this end, your Committee on Conference has provided \$400,000 in general funds and \$400,000 in trust funds in fiscal year 2013-2014 for OHA's direct health services and prevention 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 H.B. No. 222, 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. 222, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Ige, Keith-Agaran, Hee and Slom.

Managers on the part of the Senate.

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

Representatives Hanohano, Luke, Nishimoto and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 107 on H.B. No. 197**

The purpose of this bill is to appropriate funds for the operating budget and capital improvement project budget of the Judiciary for the 2013-2015 fiscal biennium.

In concert with the decision to restore the five per cent labor savings reduction to agencies statewide, your Committee on Conference has provided \$4,134,343 in general funds to the Judiciary to restore funds for labor costs. In addition, your Committee notes that scheduled pay increases for judges as called for by the 2006 Commission on Salaries were previously deferred. Your Committee on Conference is now able to restore judges' salaries to the amounts scheduled for fiscal year 2013-2014 by the Commission on Salaries. As such, your Committee on Conference has provided \$4,465,777 in general funds to restore judges' salaries in various judiciary programs.

Your Committee on Conference is cognizant of the need to reinvest in judiciary programs that partner with private and nonprofit providers to administer assessments, treatment, counseling, and shelter services. Investments in these services reduce recidivism and corresponding incarceration costs as well as increase accessibility to court resources for domestic violence victims and drug court offenders, juveniles and adults alike. To this end, your Committee on Conference has provided \$718,438 in general funds to restore funding for purchase of service contracts in the Judiciary.

Your Committee on Conference also supports the public-private partnerships between the Judiciary and the community, particularly the Hawaii Children's Justice Centers (Centers). These programs bring together professionals to coordinate their activities and investigations of child abuse and neglect. Lack of professional support and neighbor island outreach for forensic specialist services at the Centers have resulted in many child victims going without timely assessment and returning home to face abuse and neglect. To address these problems, your Committee on Conference has provided \$95,652 in fiscal year 2013-2014 and \$186,804 in fiscal year 2014-2015 in general funds to support neighbor island Children Justice Centers in the upcoming biennium.

Your Committee on Conference is aware of the high demand for legal services for Hawaii's vulnerable populations. The Judiciary works with the legal community to provide subsidized court services to those who cannot afford to pay on their own. Act 180, Session Laws of Hawaii 2011, included a provision that increased surcharges for various court services in calendar year 2012, which was intended to increase funds available for deposit into the Indigent Legal Assistance Fund (Fund) and expand the Judiciary's capacity to provide low- and moderate income residents with additional access to legal services. However, the lack of a concurrent increase in the Fund's expenditure ceiling has resulted in the Judiciary's inability to expend the additional moneys for their intended purpose. To address this administrative anomaly, your Committee on Conference has authorized a special fund expenditure of an additional \$1,000,000 from the Indigent Legal Assistance Fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 197, 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. 197, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Kouchi, Shimabukuro and Slom.

Managers on the part of the Senate.

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

Representatives Rhoads, Luke, Nishimoto and Johanson.

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

**Conf. Com. Rep. 108 on H.B. No. 471**

The purpose of this measure is to address light pollution issues and preserve the quality of the night sky by extending the term of the temporary Starlight Reserve advisory committee for an additional year from June 30, 2013, to June 30, 2014.

Your Committee on Conference has amended this measure by:

- (1) Extending the term of the temporary Starlight Reserve advisory committee for an additional year, from June 30, 2014, to June 30, 2015, for a total two-year extension; and
- (2) Changing its effective date to June 29, 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. 471, 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. 471, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Espero, English, Green and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Representatives Tsuji, Takayama, Cachola and Ward.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 109 on H.B. No. 653**

The purpose of this measure is to support the construction and renovation of health care facilities by authorizing the Department of Budget and Finance to issue \$175,000,000 in special purpose revenue bonds to assist Hawai'i Pacific Health with the construction or renovation of health care facilities.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the special purpose revenue bonds in the bill relate to not-for-profit corporations that provide health care facilities to the general public; 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. 653, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 653, 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 Belatti, Morikawa, Kobayashi and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 110 on H.B. No. 928**

The purpose of this measure is to clarify that certain funds of the Department of Labor and Industrial Relations are trust funds. More specifically, this measure renames the following funds as trust funds:

- (1) The unemployment compensation fund, established pursuant to section 383-121, Hawaii Revised Statutes (HRS);
- (2) The special compensation fund, established pursuant to section 386-151, HRS;
- (3) The special fund for disability benefits, established pursuant to section 392-61, HRS; and
- (4) The special premium supplementation fund, established pursuant to section 393-41, HRS.

Your Committee on Conference has amended this measure by:

- (1) Changing references to "legislative auditor" to "state auditor";
- (2) Making conforming amendments to sections 36-27(a) and 36-30(a), HRS, to remove references to the unemployment compensation fund since these sections refer specifically to special funds; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 928, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 928, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Kouchi, Keith-Agaran, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, Hashem, Yamashita and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 111 on H.B. No. 977**

The purpose of this measure is to increase highway safety by conforming state law with recent changes to federal regulations relating to commercial driver licensing. More specifically, this measure provides for a commercial learner's permit and implements various other changes to enhance the commercial driver license program.

Your Committee on Conference has amended this measure by:

- (1) Requiring all commercial driver's licenses that are surrendered to be shredded;
- (2) Requiring the examiner of drivers to accept test scores of a Hawaii commercial learner's permit holder under specified conditions; and
- (3) Clarifying the circumstances under which a Hawaii commercial driver's license shall be issued.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 977, 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. 977, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators English, Espero, Ige, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Yamane, McKelvey, Har, Ito, Nakashima and Cheape.

Managers on the part of the House.

Ayes, 4. Noes, none. Excused, 2 (Har, Nakashima).

**Conf. Com. Rep. 112 on H.B. No. 218**

The purpose of this measure is to enhance the Corrections Population Management Commission's capacity to examine the issue of the disproportionate number of Native Hawaiians in the criminal justice system by adding two new members to the Commission as follows:

- (1) The Administrator of the Office of Hawaiian Affairs; and
- (2) A member of the public who is knowledgeable on issues relating to the criminal justice system and has substantial experience or expertise in traditional Native Hawaii practices.

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. 218, 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. 218, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Galuteria, Chun Oakland, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Hanohano, Aquino, Cullen, Ing and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 113 on H.B. No. 1430**

The purpose of this measure is to appropriate unspecified sums for the establishment and operation of a comprehensive service center for the deaf, hard of hearing, and deaf-blind.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$400,000 for fiscal year 2013-2014 and deleting the appropriation amount for fiscal year 2014-2015; and
- (2) Changing its effective date to July 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. 1430, 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. 1430, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Carroll, Kobayashi, Tokioka and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 114 on H.B. No. 424**

The purpose of this measure is authorize the Governor to appoint commissioners of deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to time shares.

This measure also:

- (1) Requires commissioners of deeds to provide a written notice to each person whose signature is witnessed or acknowledged by the commissioner;
- (2) Establishes bonding requirements, penalties, and liabilities for commissioners of deeds; and
- (3) Appropriates unspecified funds for expenses incurred by the Office of the Lieutenant Governor related to administrative requirements for the commissioners of deeds program.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the appropriation amount out of the general revenues of the State of Hawaii shall be \$60,000 or so much thereof as may be necessary for fiscal years 2013-2014 and 2014-2015 for expenses incurred by the Office of the Lieutenant Governor related to establishing and administering the commissioners of deeds program;
- (2) Specifying that this measure shall take effect on July 1, 2013; provided that the Governor shall appoint commissioners no later than July 1, 2014; 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. 424, 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. 424, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Nishimoto, Evans and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 115 on H.B. No. 632**

The purpose and intent of this measure is to require executive departments to share data with the public.

Specifically, this measure:

- (1) Requires executive departments to use reasonable efforts to make appropriate and existing electronic data sets available to the public through the State's open data portal;
- (2) Absolves the State of liability for deficient or inaccurate information contained in the data sets, except for instances involving gross negligence, wilful and wanton misconduct, or intentional misconduct;
- (3) Authorizes the Chief Information Officer to license the data sets that are on the open data website to third parties to copy, display, distribute, or create derivative works;
- (4) Requires the Chief Information Officer to establish data set policies and procedures; and
- (5) Appropriates unspecified funds for the establishment of positions to promote open data and for open data coordinators for departments and agencies.

Your Committee on Conference has amended this measure by:

- (1) Specifying that this Act is not intended to limit or expand a person's ability to access a public record under Chapter 92F, Hawaii Revised Statutes;
- (2) Amending the definition of "data set" to exclude any data that is protected from disclosure under applicable federal or state law, or contract, or data that is proprietary;
- (3) Deleting the definition of "open data";

- (4) Specifying that disclosure of a data set shall be consistent with Chapter 92F, Hawaii Revised Statutes, and other state and federal laws related to security and privacy;
- (5) Specifying that standards to determine which data sets are appropriate for online disclosure developed by the Chief Information Officer and Office of Information Practices shall not require departments to post information that is otherwise required to be disclosed under Chapter 92F, Hawaii Revised Statutes, but is personally identifiable information that may pose a personal or public security risk, is of minimal public interest, or is otherwise inappropriate for online disclosure as part of a data set;
- (6) Inserting an appropriation amount of \$100,000 for fiscal years 2013-2014 and 2014-2015 for the Office of Information Practices to establish one full-time equivalent position to promote open data pursuant to this Act;
- (7) Deleting language appropriating funds for departments and agencies to provide open data coordinators;
- (8) Changing the effective date of this measure to July 1, 2013; and
- (9) 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. 632, 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. 632, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives McKelvey, Tsuji, Cullen, Brower and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 116 on H.B. No. 1396**

The purpose of this bill is to preserve, perpetuate, and share the legacy of Americans of Japanese ancestry who served in the armed forces of the United States, as well as those who were detained in internment camps, during World War II. Specifically, this measure:

- (1) Appropriates an unspecified amount to the University of Hawaii at West Oahu for the planning, design, and construction of the Nisei Veterans Legacy Center;
- (2) Requires the University of Hawaii at West Oahu to report to the 2014 Legislature on the status of the Nisei Veterans Legacy Center, including the status of public and private grants or donations;
- (3) Appropriates an unspecified amount to continue the work of the Honouliuli Park Site Project Advisory Group;
- (4) Requires the Honouliuli Park Site Project Advisory Group to report to the 2014 Legislature on the Group's recommendations to leverage funding for a Honouliuli Internment Site educational resource center and the status of designating the Honouliuli internment prisoner of war camp site and associated sites as part of the United States National Park Service; and
- (5) Conditions the expenditure of all appropriations in the measure on the funds being matched by private or public grants or donations.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$150,000 for Fiscal Year 2013-2014 to the University of Hawaii at West Oahu to be used only for the planning and design of the Nisei Veterans Legacy Center and not for construction;
- (2) Deleting all provisions and references relating to the Honouliuli Internment Site and Honouliuli Park Site Project Advisory Group;
- (3) Changing its effective date to July 1, 2013; 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. 1396, 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. 1396, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Wakai, Solomon, Chun Oakland, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

Representatives Takai, Choy, Cullen, Ito and Ward.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 117 on H.B. No. 114**

The purpose of this measure is to ensure the effective management of the University of Hawaii's facilities and fiscal resources by, among other things:

- (1) Temporarily requiring the Administrator of the State Procurement Office, rather than the President of the University, to be the chief procurement officer for the University of Hawaii for construction procurements;
- (2) Temporarily requiring all procurements for construction, other than those for repair and maintenance, to be supervised by the Department of Accounting and General Services on behalf of the Board of Regents; and
- (3) Statutorily establishing an Independent Audit Committee within the Board of Regents.

This measure also appropriates an unspecified amount in general revenues to the Department of Accounting and General Services for additional staff positions to supervise assigned University of Hawaii construction projects for new buildings.

Your Committee on Conference recognizes that the Administrator of the State Procurement Office currently acts as the chief procurement officer for many executive branch departments and believes that the Office has the expertise to oversee the University's construction projects, including the use of professional services.

Your Committee on Conference also finds that by designating the Administrator as the chief procurement officer for construction projects and professional services, the Administrator will have the ability to review procurement procedures. It is the intent of your Committee on Conference to provide the Administrator with the broadest flexibility to carry out the purposes of this measure.

In addition, it is the intent of your Committee on Conference that the University work with the Department of Accounting and General Services to ensure that the procurement process is faithfully adhered to and that sound judgment is used in the selection of professional services and public fund expenditures. Your Committee on Conference recognizes that the Department of Accounting and General Services has the expertise and experience to assist the University with its procurement of professional services. Your Committee realizes, however, that repair and maintenance is most efficiently executed outside the purview of this measure.

Your Committee on Conference realizes that transferring every aspect of construction projects to the Department of Accounting and General Services may be premature at this time and that an assessment of resources and capacity should be made prior to committing to such a transfer.

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

- (1) Permitting the President of the University of Hawaii to continue to serve as the chief procurement officer for construction procurements for professional services determined by both the University and the Department of Accounting and General Services to be for repair and maintenance;
- (2) Deleting the requirement that construction procurement, including consultant services, with specified exceptions, be subject to the supervision of the Department of Accounting and General Services;
- (3) Requiring procurements for professional services for construction projects to be coordinated with the Department of Accounting and General Services, with the exception of those procurements determined by both the University and the Department to be professional services for repair and maintenance;
- (4) Exempting the Independent Audit Committee from the Administrative Procedure and Sunshine Laws to the extent that the Committee is engaged in discussions or proceedings arising from an investigation by the Committee relating to potentially actionable civil or criminal conduct;
- (5) Narrowing the Independent Audit Committee's responsibility to review complaints related to accounting and auditing to those the Committee deems necessary for review;
- (6) Deleting the appropriation to the Department of Accounting and General Services for additional staff positions to supervise assigned University of Hawaii construction projects for new buildings;
- (7) Changing its effective date to July 1, 2013, and removing the two-year sunset requirement; 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. 114, 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. 114, H.D. 3, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Taniguchi, Dela Cruz, Ige, Kahele, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Choy, Luke, Nakashima and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 118 on H.B. No. 430**

The purpose of this measure is to exempt deductible charitable contributions from the temporary limit on the amount of itemized tax deductions claimable by certain taxpayers.



Your Committee on Conference has amended this measure by changing its effective date to July 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. 430, 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. 430, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Ige, Keith-Agaran, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Luke, Nishimoto, Yamashita and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 119 on H.B. No. 1263**

The purpose of this measure is to protect Hawaii's agricultural industry by appropriating two fiscal years of funding to operate and maintain the East Kauai Irrigation System.

Your Committee on Conference has amended this measure by:

- (1) Inserting a one-year appropriation of \$75,000 for improvements to the East Kauai Irrigation System;
- (2) Including a one-year appropriation of \$45,000 for improvements to the Peekauai Ditch Irrigation System, also known as Menehune Ditch, and all appurtenances thereto;
- (3) Changing its effective date to July 1, 2013; 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. 1263, 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. 1263, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Solomon, Kouchi, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Wooley, Evans, Onishi, Cachola and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 120 on H.B. No. 775**

The purpose of this measure is to appropriate funds to satisfy claims against the State or its officers or employees for the overpayment of taxes, or for refunds, reimbursements, payments of judgments or settlements, or other liabilities.

Your Committee on Conference has amended this measure by adding two new claims against the State as follows:

- (1) Gilchrist v. Kimoto, et al., Civil No. 12-13-00147 SOM-BMK, USDC, in the amount of \$14,000.00; and
- (2) Evelyn Cho in the amount of \$1,628.33.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 775, 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. 775, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Slom.

Managers on the part of the Senate.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, none.

Representatives Rhoads, Cullen, Carroll and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 121 on H.B. No. 1068**

The purpose of this measure is to promote services for victims of human trafficking by:

- (1) Requiring certain establishments to post and keep posted information regarding the National Human Trafficking Resource Center Hotline in a conspicuous place near the establishment's primary public entrance or another area where posters and notices are customarily posted;
- (2) Defining the term "establishment" to mean a place of employment that:
  - (A) Holds a liquor dispenser license or cabaret license;

- (B) Is a hospital emergency room;
  - (C) Is a massage therapy establishment; or
  - (D) Is a farm operation employing five or more persons; and
- (3) Establishing a fine for the wilful and knowing failure, neglect, or refusal to post the required information.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that certain employers shall post and keep posted the National Human Trafficking Resource Center Hotline required notice in a place readily accessible to employees;
- (2) Limiting the posting requirement to employers that:
  - (A) Hold a liquor dispenser license or cabaret license;
  - (B) Maintain a massage therapy establishment that employs five or more people; or
  - (C) Employ one or more erotic or nude massagers or erotic or nude dancers;
- (3) Eliminates the Department of Labor and Industrial Relations' authorization to contract with State or county agencies to implement or enforce the notice requirements relating to human trafficking;
- (4) Changing its effective date to January 1, 2014; 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. 1068, 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. 1068, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Hee, Espero, Ihara and Slom.

Managers on the part of the Senate.

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

Representatives Wooley, McKelvey, Cabanilla, Cachola, Carroll and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 122 on H.B. No. 1424**

The purpose of this measure is to require the Department of Land and Natural Resources to engage in efforts to acquire the parcel of land located at Lipoa Point and to ensure, to the maximum extent possible, that the seller of the lands uses the proceeds of the sale to benefit the pension plan of retirees of the Maui Land and Pineapple Company, Inc.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Department of Land and Natural Resources is required to engage to acquire the parcel of land located at Lipoa Point;
- (2) Deleting the reference to the Land Conservation Fund, section 173A-5(i), Hawaii Revised Statutes;
- (3) Specifying that the Department of Land and Natural Resources shall ensure, to the maximum extent practicable, that the proceeds from the sale of the lands are used to benefit the pension plan of retirees of the Maui Land and Pineapple Company, Inc.;
- (4) Providing that the provisions of the bill shall not be construed to obligate the State for the pension fund liabilities; and
- (5) Changing its effective date to July 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. 1424, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1424, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kouchi, Slom).\*

\*On April 30, 2013, Senator Kouchi noted a correction to the record of votes, which reads as follows:

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

Representatives Hanohano, Evans, Cullen, Coffman and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 123 on H.B. No. 266**

The purpose of this measure is to enhance language access in Hawaii for those individuals whose primary language is not English. Specifically, this bill:

- (1) Requires the Office of Language Access, in collaboration with other state agencies, to implement a Multilingual Website Pilot Project that will improve language access to information provided online for limited English proficient persons seeking information about government and government-funded services in the State of Hawaii;
- (2) Requires the Executive Director of the Office of Language Access to administer a Statewide Language Access Resource Center that will address the interpretation and translation needs of the State;
- (3) Authorizes the Executive Director of the Office of Language Access to hire personnel necessary to staff the Statewide Language Access Resource Center and to administer the multilingual website;
- (4) Establishes minimum staffing requirements for staffing of the Statewide Language Access Resource Center and administration of the multilingual website, and requiring that bilingual personnel be used to the extent possible;
- (5) Requires the Executive Director of the Office of Language Access to consult with the Office of Information Management and Technology in developing the multilingual website; and
- (6) Appropriates unspecified amounts for the Statewide Language Access Resource Center and the Multilingual Website Pilot Project.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$170,000 for fiscal year 2013-2014 and \$170,000 for fiscal year 2014-2015 for the Statewide Language Access Resource Center;
- (2) Appropriating \$80,000 for fiscal year 2013-2014 and \$80,000 for fiscal year 2014-2015 for the Multilingual Website Pilot Project;
- (3) Changing its effective date to July 1, 2013; 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. 266, 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. 266, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Managers on the part of the Senate.

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

Representatives Belatti, Morikawa, Jordan and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 124 on H.B. No. 672**

The purpose of this measure is to reduce the number of minors and youth who smoke by:

- (1) Prohibiting the sale of electronic smoking devices to minors and the purchase of these items by minors; and
- (2) Requiring retailers to sell tobacco products only in a direct face-to-face exchange between the retailer and consumer, except for retail tobacco stores, bars, or establishments where the minimum age for admission is eighteen.

Your Committee on Conference has amended this measure by:

- (1) Exempting duty-free sales enterprises selling duty-free merchandise from the requirement that retailers sell tobacco products only in a direct, face-to-face exchange;
- (2) Changing its effective date to upon approval, provided that the requirement that certain retailers sell tobacco products only in a face-to-face exchange takes effect on July 1, 2014; 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. 672, 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. 672, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Galuteria, Nishihara and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Onishi, Brower and Fukumoto.

Managers on the part of the House.

Ayes, 3. Noes, none. Excused, 2 (Brower, Onishi).

**Conf. Com. Rep. 125 on H.B. No. 1147**

The purpose of this measure is to encourage transparency in the elections process by:

- (1) Requiring noncandidate committees that make only independent expenditures to identify certain top contributors in their advertisements, while providing an exemption for any radio or television advertisement of such short duration that the identification of top contributors would constitute a hardship;
- (2) Clarifying that all fines collected for the failure to file candidate or noncandidate committee reports, or for the filing of substantially defective or deficient reports shall be deposited into the general fund;
- (3) Requiring all reports filed with the Campaign Spending Commission to be made publicly available on the Commission's website in a searchable database;
- (4) Expanding the information regarding contributions and expenditures required to be disclosed in noncandidate committee reports;
- (5) Requiring noncandidate committees making only independent expenditures to certify that no expenditures have been coordinated with a candidate, candidate committee, or any agent thereof;
- (6) Establishing reporting requirements for late expenditures made shortly before an election;
- (7) Expanding the information required to be included in statements of information filed for electioneering communications;
- (8) Broadening the definition of "electioneering communication" to include any advertisement that is published by electronic means;
- (9) Amending disclosure requirements for advertisements; and
- (10) Repealing corporate campaign contribution reporting requirements that are redundant with filing requirements for noncandidate committees, which are made applicable to corporations by this measure.

Your Committee on Conference finds that additional disclosure of information regarding election campaign contributions and expenditures is necessary due to the recent decision of the United States Supreme Court in *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), and subsequent case law. These decisions have led to the proliferation of SuperPACS, noncandidate committees who make only independent expenditures, and their virtually unlimited spending in the political arena.

Hawaii's experience in the most recent election cycle, when SuperPACs were formed and enormous quantities were expended on campaign advertising aiming to influence voters, demonstrates the need to amend the state's campaign finance laws in order to give the public access to information about who is influencing elections. Many of the noncandidate committees that certified to the state Campaign Spending Commission that they were making only independent expenditures during the 2012 election had contributors who contributed very large sums of money, at or above \$10,000 from each contributor in the aggregate. Further, many had contributors who contributed over \$50,000, \$100,000, and \$150,000. These numbers are quite significant in light of the fact that many of Hawaii's electoral races cover small areas or constituencies.

Current law requires only that the name of the SuperPAC, which can be meaningless or misleading, be disclosed in a campaign advertisement. This level of disclosure is inadequate to provide the electorate with information showing the true source of the funds behind the advertising seeking to influence their vote at the time the advertisement reaches the public. The additional reporting requirement for campaign advertisements creates more effective disclosure by requiring the disclosure of top contributors to big money SuperPACs in the advertisements themselves, so that the true funding sources are made transparent to the public.

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

- (1) Clarifying that where a noncandidate committee that makes only independent expenditures has more than three top contributors who contributed in equal amounts, the noncandidate committee may select which of the top contributors to identify;
- (2) Changing the effective date to November 5, 2014; 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. 1147, 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. 1147, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Rhoads, Cullen, Takayama and Thielen.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 126 on S.B. No. 593**

The purpose of this measure is to:

- (1) Expand the livestock feed subsidies program to include milking goats, goats raised for meat, sheep, lambs, fish, and crustaceans;
- (2) Create a livestock feed developer subsidy; and
- (3) Appropriate funds for the Livestock Revitalization Program.

Your Committee on Conference finds that the cost of feed for livestock production in Hawaii constitutes up to seventy percent of total production costs, a significant amount more than production costs for mainland producers. Many livestock farms have gone out of business, primarily due to the rising cost of feed and the farms' inability to compete with mainland suppliers. To improve Hawaii's self-sufficiency, this measure provides financial assistance to livestock producers to maintain and stabilize the livestock industry in the State.

Your Committee on Conference has amended this measure by:

- (1) Removing language establishing grant subsidies for qualified feed developers in chapter 155D, Hawaii Revised Statutes, and deleting all reference to qualified feed developer grants, including a new definition for qualified feed developer and an appropriation for qualified feed developer grants;
- (2) Inserting an appropriation amount of \$1,500,000 to the Agricultural Development Division of the Department of Agriculture for livestock feed subsidies and administrative costs of the Livestock Revitalization Program and deleting the appropriation for fiscal year 2014-2015;
- (3) Removing the \$250,000 per year cap on grants to qualified producers;
- (4) Inserting an effective date of July 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. 593, 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. 593, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Wooley, Onishi, Takayama and Cheape.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Takayama).

#### **Conf. Com. Rep. 127 on S.B. No. 614**

The purpose of this measure is to appropriate funds for the Comptroller and the State Foundation on Culture and the Arts to commission permanent works of art to honor the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink.

Your Committee on Conference finds that commissioning works of art to honor the accomplishments and contributions of the late Senator Inouye and the late Representative Mink will perpetuate their legacies and inspire future generations in Hawaii. Your Committee on Conference further finds that works of art portraying Senator Inouye and Representative Mink will properly honor the memories of these extraordinary individuals.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have specified the locations at which the works of art honoring Senator Inouye and Representative Mink are to be installed;
- (2) Inserting an appropriation amount of \$250,000 for the works of art; and
- (3) Inserting an effective date of July 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 S.B. No. 614, 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. 614, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Takai, Takayama, Brower and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Brower).

#### **Conf. Com. Rep. 128 on S.B. No. 635**

The purpose of this measure is to protect law enforcement animals in the line of duty. Specifically, this measure:

- (1) Creates the offense of cruelty to a law enforcement animal in the first and second degrees;
- (2) Establishes penalties; and
- (3) Provides exceptions to the offenses, affirmative defenses, and restitution to certain affected parties.

Your Committee on Conference finds that law enforcement animals are an integral part of Hawaii's law enforcement and corrections agencies and are hand-selected and highly trained for their jobs. These animals diligently work side-by-side with law enforcement officers, deputies, and other personnel and should be afforded special protections. This measure protects law enforcement animals in the line of duty.

Your Committee on Conference has amended this measure by adopting the H.D. 1 version of this measure which:

- (1) Adds the definition of "law enforcement animal" to section 711-1110, Hawaii Revised Statutes;
- (2) Amends section 711-1109.4, Hawaii Revised Statutes, to include recklessly causing substantial bodily injury to or death of any law enforcement animal under the offense of causing injury or death to a service dog; rename the offense; provide certain exceptions to this offense; establish that a violation is a class C felony; provide restitution; and establish an affirmative defense;
- (3) Amends section 711-1109.5, Hawaii Revised Statutes, to include intentionally or knowingly striking, beating, kicking, stabbing, shooting, or administering any type of harmful substance or poison to a law enforcement animal under the offense of intentional interference with the use of a service dog; rename the offense; provide certain exceptions to this offense; establish that a violation is a misdemeanor; and provide restitution; and
- (4) Inserts 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. 635, 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. 635, 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, 3. Noes, none. Excused, none.

Representatives Aquino, Ito, Ing, Takumi and McDermott.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 2 (Takumi, McDermott).

**Conf. Com. Rep. 129 on S.B. No. 82**

The purpose of this measure is to:

- (1) Authorize the Hawaii Public Housing Authority to receive, use, and dispose of property and sell real property subject to legislative approval;
- (2) Authorize the Authority to receive gifted property to benefit public housing residents under certain conditions;
- (3) Authorize the Authority to engage the services of volunteers; and
- (4) Require the Legislature to establish federal and state low-income housing preferences for tenant eligibility in any contract for financial assistance and preferences for tenant selection by the Hawaii Public Housing Authority, other than those established by federal law.

Your Committee on Conference finds that projects that assist the Hawaii Public Housing Authority in rehabilitating vacant units need physical labor, electrical wiring, and plumbing. Many volunteers come to the Authority to improve their community by creating projects and rehabilitating vacant units. These projects contribute to positive community relations as well as provide needed housing for individuals.

Your Committee on Conference further finds that the Hawaii Public Housing Authority selects tenants upon the basis of those greatest in need but that greater direction to the Hawaii Public Housing Authority is needed to determine the availability of units for applicants with and without preferences.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have required the Legislature to determine any preferences not established pursuant to federal law in regard to tenant eligibility or preference in a contract for financial assistance with the Hawaii Public Housing Authority;
- (2) Removing language that would have required the Legislature to establish any preferences except for any preferences established by federal law in regard to housing and tenant selection by the Hawaii Public Housing Authority;
- (3) Inserting language that requires the Hawaii Public Housing Authority to make available not less than fifty percent of available federal and state low-income housing units for applicants without preference and up to fifty percent of available federal and state low-income housing units for applicants with preference;
- (4) Changing the effective date to July 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. 82, 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. 82, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Kidani, Ige, Taniguchi and Slom.

Managers on the part of the Senate.

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

Representatives Cabanilla, Woodson, Carroll and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 130 on S.B. No. 946**

The purpose of this measure is to establish proactive measures to reduce the unfunded liabilities of the State and counties for employee health benefit obligations.

More specifically, this measure:

- (1) Convenes and makes an unspecified appropriation in fiscal year 2013-2014 to a Hawaii employer-union health benefits trust fund task force that is placed within the Department of Budget and Finance to examine the unfunded liability of the Hawaii employer-union health benefits trust fund (EUTF);
- (2) Establishes the Hawaii employer-union health benefits trust fund captive insurance company (captive insurance company) to provide its subscribers with a means of financing and managing their contractual obligations to provide health insurance, group life insurance, and other benefits to their employees;
- (3) Establishes a board of trustees to govern the captive insurance company whose trustees are appointed by the Governor to represent retirees, employee-beneficiaries, public employers, and the counties;
- (4) Establishes a Hawaii employer-union health benefits trust fund captive insurance company fund within the Department of Budget and Finance to provide public employee-beneficiaries and their beneficiaries with health and other benefit plans;
- (5) Establishes a Hawaii employer-union health benefits trust fund captive insurance company reserve account within the Department of Budget and Finance to be used as a reserve against or to pay future costs of providing health and other benefit plans;
- (6) Establishes a Hawaii employer-union health benefits trust fund captive insurance company minimum capital and surplus account within the Department of Budget and Finance to hold the minimum capital and surplus amounts established by the Insurance Commissioner; and
- (7) Repeals the EUTF, and transfers its rights, powers, functions, and duties to the captive insurance company.

After careful deliberation, your Committee on Conference has amended this measure by:

- (1) Reorganizing the measure by eliminating the designation of parts and making the title of the former part II that established the captive insurance company and the accompanying preamble applicable to the entire measure;
- (2) Clarifying that one of the primary purposes of the captive insurance company is to provide the public employers, rather than subscribers, with a means of financing and managing their contractual obligations to provide health insurance, group life insurance, and other benefits to their employees;
- (3) Replacing the administrator of the captive insurance company with an attorney-in-fact and deleting provisions relating to the powers and duties of the administrator;
- (4) Specifying that the trustee who represents the counties shall be recommended by the Hawaii Association of Counties;
- (5) Replacing the voting method of one vote per group of trustees with the voting method of one vote per individual trustee;
- (6) Renaming the Hawaii employer-union health benefits trust fund captive insurance company reserve account as the Hawaii employer-union health benefits trust fund captive insurance company rate stabilization reserves and deleting the initial balance requirements, the authorization to cover catastrophic health events, and other specified powers;
- (7) Deleting the Hawaii employer-union health benefits trust fund captive insurance company minimum capital and surplus account;
- (8) Establishing the Hawaii employer-union health benefits trust fund captive insurance company other post employment benefits reserve fund within the Department of Budget and Finance to be used as a reserve for the future costs of providing other post employment benefits to retirees and their beneficiaries when there are insufficient moneys to cover current claims in the Hawaii employer-union health benefits trust fund captive insurance company fund;
- (9) Requiring employers to make annual required contributions, as determined by the board of trustees, to the Hawaii employer-union health benefits trust fund captive insurance company other post employment benefits reserve fund;
- (10) Establishing a schedule of annual required contributions, notwithstanding the determinations by the board of trustees, for the six-year fiscal period from 2013-2014 to 2018-2019;

- (11) Authorizing the Director of Finance to retain transient accommodations tax revenues and other sources of revenues to supplement payments for counties that fall short of paying their annual required contributions;
- (12) Changing the effective date to July 1, 2013; and
- (13) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 946, 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. 946, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Luke, Cachola and Johanson.  
Managers on the part of the House.  
Ayes, 4; Ayes with Reservations (Johanson). Noes, none. Excused, none.

**Conf. Com. Rep. 131 on S.B. No. 1349**

The purpose of this measure is to support and foster the growth of jobs in the research and development industry in Hawaii. More specifically, this measure:

- (1) Reestablishes the income tax credit for qualified research activities that applies to taxable years December 31, 2013, to December 31, 2017;
- (2) Requires the Department of Business, Economic Development, and Tourism to conduct studies to measure the effectiveness of the tax credit and submit reports to the Legislature; and
- (3) Updates certain provisions of the income tax credit for qualified research activities to conform to section 41 of the Internal Revenue Code.

Your Committee on Conference finds that the reestablishment of the qualified research activities tax credit will allow Hawaii research and development companies to remain competitive with mainland companies and generate and sustain lucrative high technology jobs in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to ensure consistency between the calculation of the amount of the tax credit under section 41 of the Internal Revenue Code, the application of the federal tax provisions in section 41 of the Internal Revenue Code, and the requirement that a business claim a federal tax credit for the same qualified research activities under section 41 of the Internal Revenue Code;
- (2) Limiting the federal tax provisions in section 41 of the Internal Revenue Code to expenses incurred for qualified research activities after December 31, 2012;
- (3) Limiting the tax credit to taxable years from December 31, 2012, to December 31, 2019;
- (4) Making the measure effective on July 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. 1349, 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. 1349, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 132 on S.B. No. 1057**

The purpose of this measure is to establish 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 employees of collective bargaining unit (10) and their excluded counterparts.

Your Committee on Conference finds that the State and the exclusive representative of collective bargaining unit (9) reached an impasse concerning Hawaii Employer-Union Health Benefits Trust Fund employer contributions for plan years 2011-2012 and 2012-2013. Therefore, pursuant to section 89-11(g), Hawaii Revised Statutes, after consideration of recommendations by both parties, the Legislature was tasked with establishing the contribution amounts by enactment. Your Committee on Conference acknowledges that



the State recommended contributions at fifty per cent for the employer contribution level for collective bargaining unit (9) and their excluded counterparts.

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

- (1) Adding sections that provide employer contribution amounts for Employer-Union Health Benefits Trust Fund health benefit plan premiums for plan years 2011-2012 and 2012-2013 for employees in collective bargaining unit (9) and their excluded counterparts;
- (2) Inserting specific dollar amounts that establish the employer contribution level;
- (3) Changing the effective date to upon approval; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1057, 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. 1057, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Shimabukuro, Kouchi and Thielen.

Managers on the part of the Senate.

Ayes, 3. Noes, none. Excused, 2 (Kouchi, Thielen).

Representatives Nakashima, Luke, Takumi and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 133 on S.B. No. 1094**

The purpose of this measure is to recapitalize the State's fiscal reserves by transferring an unspecified amount from general funds to the emergency and budget reserve fund.

Your Committee on Conference finds that in 2008, during the economic downturn, the State was compelled to enact a number of cost-saving measures. Your Committee on Conference recognizes that the use of the emergency and budget reserve fund and the Hawaii hurricane relief fund allowed the State to avoid undertaking even greater spending reductions and revenue enhancement measures. Your Committee on Conference believes that recapitalizing the fiscal reserves for the State is essential to safeguard the future economic well-being of the State.

Your Committee on Conference amended this measure by:

- (1) Inserting an appropriation amount of \$50,000,000;
- (2) Changing the fiscal year of the appropriation from fiscal year 2014-2015 to fiscal year 2013-2014;
- (3) Changing the effective date to July 1, 2013; and
- (4) Making technical nonsubstantive amendments for purposes of clarity and style.

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

Signed by the Chairs on behalf of the Committee.

Senators Ige, Chun Oakland, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Luke, Ing, Nishimoto and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 134 on S.B. No. 1206**

The purpose of this measure is to clarify that the authority of the Director of Taxation includes the collection and general administration of all taxes.

Your Committee on Conference finds that section 231-13, Hawaii Revised Statutes, could be clearer as to whether the Director of Taxation is authorized to collect and administer all taxes or only delinquent taxes. Your Committee on Conference further finds that this measure sufficiently clarifies that the Department of Taxation is authorized to administer and collect all taxes, including delinquent taxes, which will facilitate greater effectiveness and efficiency in the operation of the Department.

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

- (1) Requiring the Department of Taxation to submit reports to the Legislature regarding contracts entered into under section 231-13, Hawaii Revised Statutes, as amended by this measure, and the effect of this measure on the assessment, enforcement, and collection of taxes; and
- (2) Changing the effective date to "upon approval" and adding a sunset date of 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. 1206, 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. 1206, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Nishimoto and Fukumoto.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, none.

**Conf. Com. Rep. 135 on S.B. No. 1280**

The purpose of this measure is to encourage the development of efficient energy systems in Hawaii by authorizing the issuance of special purpose revenue bonds to assist Kona SWAC, LLC, in constructing a portion of a seawater air conditioning district cooling system.

Your Committee on Conference finds that Kona SWAC, LLC, seeks to develop a seawater air conditioning solution for Kona that precludes the need to cool water with electricity and instead uses seawater for cooling. Your Committee on Conference believes that finding and developing new and innovative technologies that decrease the State's dependence on oil continue to be in the public interest. Accordingly, your Committee on Conference finds that assisting in the financing for the construction of a portion of the seawater air conditioning district cooling system to serve Kona and nearby areas on the island of Hawaii furthers the State's interest in developing new and efficient energy systems.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Department of Budget and Finance is authorized to issue special purpose revenue bonds in a total amount not to exceed \$40,000,000; and
- (2) Changing the effective date from July 1, 2050, to July 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 S.B. No. 1280, 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. 1280, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Tsuji, Tokioka, Ohno and Ward.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Ward).

**Conf. Com. Rep. 136 on H.B. No. 353**

The purpose of this measure is to appropriate unspecified funds to control and contain damage caused by the coffee berry borer and for research to develop new methods of preventing and treating infestations.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriation amount of \$250,000 for fiscal year 2013-2014 and the same sum for fiscal year 2014-2015 to research and develop methods for the prevention and treatment of coffee berry borer infestations;
- (2) Inserting the appropriation amount of \$300,000 for fiscal year 2013-2014 to fund coffee berry borer infestation damage control and mitigation efforts;
- (3) Changing the expending agency of the appropriation for fiscal year 2013-2014 to fund coffee berry borer infestation damage control and mitigation efforts from the University of Hawaii to the Department of Agriculture;
- (4) Specifying that all amounts appropriated pursuant to this measure shall not be expended unless matched on a dollar-for-dollar basis; and
- (5) Changing its effective date to July 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. 353, 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. 353, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Luke, Lowen, Onishi, Wooley and Cheape.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Wooley).

**Conf. Com. Rep. 137 on H.B. No. 763**

The purpose of this measure is to streamline the operations of the State Building Code Council and the application of the State Building Code by:

- (1) Amending the composition and authority of the Council;
- (2) Specifying the required content of the Building Code and allowable amendment; and
- (3) Making an appropriation to fund efforts by the Council to create a uniform State Building code.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation;
- (2) Changing its effective date to July 1, 2013; 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 H.B. No. 763, 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. 763, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 138 on H.B. No. 988**

The purpose of this measure is to support the operations of an environmental disaster standby and response facility in the State that has the capacity to undertake the recovery and rehabilitation of native wildlife that are sickened, injured, or contaminated as a result of an oil or fuel related disaster in the State by authorizing expenditures for that purpose from the Environmental Response Revolving Fund.

Your Committee on Conference has amended this measure by changing its effective date to July 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. 988, 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. 988, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Evans, Lee, Lowen, Kawakami and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 139 on H.B. No. 417**

The purpose of this measure is to address the shortage of primary care providers in the State by appropriating funds for the interdisciplinary Hawaii Health Systems Corporation Primary Care Training Program at Hilo Medical Center.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$1,800,000 for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015; and
- (2) Changing its effective date to July 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. 417, 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. 417, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland, Kahele, Ruderman and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Belatti, Morikawa, Onishi and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 140 on H.B. No. 908**

The purpose of this measure is to improve the health and well-being of women, children, and families at risk for adverse health and safety concerns by establishing a program within the Department of Health for hospital-based screening and home visiting services for newborns' families.

Your Committee on Conference has amended this measure by:

- (1) Changing the funding source from general funds to the Hawaii Tobacco Settlement Special Fund;
- (2) Inserting the appropriation amount of \$3,000,000 for fiscal year 2012-2013 to carry out the purposes of this measure; and
- (3) Changing its effective date 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 H.B. No. 908, 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. 908, H.D. 2, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Chun Oakland, Keith-Agaran, Shimabukuro and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Representatives Belatti, Kobayashi, Morikawa, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 141 on H.B. No. 820**

The purpose of this measure is to provide a legislative vehicle to fund pending public sector bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee on Conference has amended this measure by:

- (1) Inserting specified sums to fund salary adjustments and other cost adjustments for public employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2013-2015;
- (2) Amending the funding sources for the salary adjustments and other cost adjustments for employees in collective bargaining unit (5) and their excluded counterparts;
- (3) Providing for specified sums to fund the Hawaii Employer-Union Health Benefits Trust Fund costs for employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2013-2015;
- (4) Changing its effective date to July 1, 2013; 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. 820, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 820, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Luke, Takumi and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Takumi).

**Conf. Com. Rep. 142 on H.B. No. 816**

The purpose of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (1) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee on Conference has amended this measure by:

- (1) Inserting additional funding sources and specified sums for collective bargaining cost items for unit (1) and its excluded counterparts, including the cost of salary adjustments negotiated between the State and the bargaining unit representative for collective bargaining unit (1) for fiscal biennium 2013-2015;
- (2) Changing its effective date to July 1, 2013; 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. 816, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 816, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Shimabukuro.

Managers on the part of the Senate.

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

Representatives Nakashima, Luke, Takumi and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 143 on H.B. No. 749**

The purpose of this measure is to increase the State's agricultural self-sufficiency and the attractiveness and opportunities for an agricultural education and livelihood by establishing the Hawaii Agriculture Workforce Advisory Board within the Department of Labor and Industrial Relations to, among other things, develop partnerships and engage in activities to further the development of the agricultural workforce in the State.

This measure also appropriates an unspecified amount in general revenues to the Department of Labor and Industrial Relations to assist in the establishment and support of the Hawaii Agriculture Workforce Advisory Board.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the farming community representative will serve for a two-year term;
- (2) Specifying that the Hawaii Agriculture Workforce Advisory Board is not subject to the provisions of section 26-34, Hawaii Revised Statutes, including the selection and terms of members of boards and commissions;
- (3) Requiring the Hawaii Agriculture Workforce Advisory Board to advise the Department of Labor and Industrial Relations on the development of partnerships and other specified activities to further the development of the agricultural workforce in the State, rather than engage in such activities itself;
- (4) Specifying that members of the Hawaii Agriculture Workforce Advisory Board will serve without compensation, but that the farming community representative will be reimbursed for those necessary expenses incurred during the performance of the representative's duties;
- (5) Deleting the appropriation to the Department of Labor and Industrial Relations to assist in the establishment and support of the Hawaii Agriculture Workforce Advisory Board;
- (6) Changing its effective date to upon approval; and
- (7) 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. 749, 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. 749, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Nishihara, Hee, Kouchi, Kahele and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, Wooley, Hashem, Takumi and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 144 on H.B. No. 546**

The purpose of this measure is to reduce the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund (EUTF).

More specifically, this measure:

- (1) Convenes and appropriates funds for a task force placed within the Department of Budget and Finance to examine the unfunded liability of the EUTF;
- (2) Requires, rather than authorizes, the Board of Trustees of the EUTF to establish a separate trust fund to receive employer contributions to prefund other post-employment health and other benefit plan costs for retirees and their beneficiaries;
- (3) Requires public employers to pay actuarially-determined, annual required contributions to the trust fund;
- (4) Uses general excise tax revenues and transient accommodations tax revenues or other sources of revenue to supplement deficient payments by state public employers and county public employers, respectively;
- (5) Requires full payments of the annual required contribution commencing with fiscal year 2018-2019, with a transitional schedule of payments commencing with fiscal year 2014-2015; and

- (6) Requires and appropriates funds for the Director of Finance to develop an implementation plan with regard to:
  - (A) The sharing of investment information, advice, and services between the Employees' Retirement System and the EUTF for the investment of moneys in the separate trust fund; and
  - (B) Procedures for the receipt of payments from county public employers into the separate trust fund.

After careful deliberation, your Committee on Conference has amended this measure by:

- (1) Specifying the amounts of the appropriations for both the task force and the implementation plan;
- (2) Changing the effective date to July 1, 2013; 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. 546, 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. 546, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Keith-Agaran, Kouchi and Slom.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Representatives Nakashima, Luke, Cachola and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 145 on H.B. No. 120**

The purpose of this measure is to enhance public access to information collected by the Department of Health regarding its inspections of state-licensed care facilities by, among other things:

- (1) Requiring the Department of Health to post on its website electronic copies of reports for all inspections it performs of state-licensed facilities specified in the measure;
- (2) Establishing a Working Group on Licensed Care Facilities to develop an inspection form to be posted online with information that is fair to the care home operators and useful to the public;
- (3) Requiring the Working Group to report its findings and recommendations to the Legislature prior to the 2014 Regular Session; and
- (4) Appropriating unspecified amounts for each year of the 2013-2015 fiscal biennium to fund equipment, website and database development, and staff support.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the representatives from major caregiver provider groups that may be invited by the Director of Health to participate in the Working Group must be representatives of specified types of state-licensed care facilities;
- (2) Inserting the appropriation amount of \$74,000 for each year of the 2013-2015 fiscal biennium to fund computer equipment, website and database development, and staff support;
- (3) Specifying that the appropriation includes funding for two full-time equivalent positions (2.0 FTE);
- (4) Changing its effective date to July 1, 2013; and
- (5) Making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 120, 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. 120, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, Carroll, McKelvey, Morikawa, Cabanilla, Jordan and Fukumoto.  
Managers on the part of the House.  
Ayes, 7. Noes, none. Excused, none.

**Conf. Com. Rep. 146 on S.B. No. 1194**

The purpose of this measure is to adjust the transient accommodations tax rate and the disposition of the transient accommodations tax revenues. Among other things, this measure:

- (1) Specifies new transient accommodations tax rates as follows:

- (A) 8.25 percent for the period beginning on July 1, 2009, to June 30, 2010;
  - (B) 9.25 percent for the period beginning on July 1, 2010, to June 30, 2013; and
  - (C) 7.25 percent for the period beginning on July 1, 2013, and thereafter;
- (2) Repeals the additional transient accommodations tax imposed by Act 61, Session Laws of Hawaii 2009;
  - (3) Repeals the daily transient accommodations tax for complimentary accommodations; and
  - (4) Makes permanent the caps on the transient accommodations tax revenue distributions to the tourism special fund and the counties.

Your Committee on Conference finds that allowing the transient accommodations tax rate to fall to 7.25 percent beginning on July 1, 2013, would deprive the general fund of needed tax revenues. According to the Department of Budget and Finance, retaining a 9.25 percent tax rate is a key component to ensuring that the State's general fund financial plan remains balanced beyond the fiscal biennium 2013-2015. Your Committee on Conference further finds that the State requires a consistent amount of funds to effectively market itself in a competitive tourist industry, to maintain tourist attractions, and to enhance the visitor experience.

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

- (1) Making permanent the 9.25 percent tax on the gross rental or gross rental proceeds derived from furnishing transient accommodations;
- (2) Allocating \$33,000,000, rather than 17.3 percent, of the transient accommodations tax revenue to the convention center enterprise special fund and repealing the language that required revenues collected in excess of \$33,000,000 to be deposited into the general fund;
- (3) Allocating \$82,000,000, rather than 34.2 percent, of the transient accommodations tax revenue to the tourism special fund, repealing the language specifying that the revenues be for tourism promotion and visitor industry research, and repealing the language that placed a \$71,000,000 per fiscal year cap on revenues to be deposited into the tourism special fund until June 30, 2015;
- (4) Repealing the \$1,000,000 allocation to the state parks special fund and special land development fund;
- (5) Allocating \$1,000,000 of the \$82,000,000 allocated to the tourism special fund for the operation of a Hawaiian center and the Museum of Hawaiian Music and Dance at the Hawaii Convention Center;
- (6) Allocating \$93,000,000, rather than 44.8 percent, of the transient accommodations tax revenue to the counties and repealing the \$93,000,000 cap on the amount to be transferred to the counties;
- (7) Allocating \$3,000,000 of the excess revenue from the transient accommodations tax deposited into the general fund for natural resources important to the visitor industry, facilities, and public lands connected with enhancing the visitor experience; provided that these funds shall be expended by mutual agreement of the Board of Land and Natural Resources and the Board of Directors of the Hawaii Tourism Authority;
- (8) Changing the effective date to July 1, 2013; 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. 1194, 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. 1194, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Keith-Agaran, Ige, Kidani and Kouchi.  
Managers on the part of the Senate.  
Ayes, 4. Noes, none. Excused, 1 (Kidani).

Representatives Luke, Brower, Nishimoto and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 147 on S.B. No. 1092**

The purpose of this measure is to make a general fund appropriation for fiscal year 2014-2015 to recapitalize the hurricane reserve trust fund.

Your Committee on Conference finds that the hurricane reserve trust fund has declined over the last decade from approximately \$220,000,000 to \$20,000,000. Your Committee on Conference further finds that, as the State continues its economic recovery, an accelerated recapitalization of the trust fund is prudent and fiscally sound.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the amount of the appropriation is \$50,000,000;
- (2) Changing the fiscal year of the appropriation from fiscal year 2014-2015 to fiscal year 2013-2014;
- (3) Changing the effective date from July 1, 2030, to July 1, 2013; and

- (4) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1092, 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. 1092, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Baker, Ige, Galuteria, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Luke, Nishimoto, Woodson and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 148 on S.B. No. 498**

The purpose of this measure is to address the emergency medical service needs of the residents of West and South Maui by appropriating funds for a twenty-four-hour, seven-days-a-week, special emergency medical response vehicle unit to be based in the Maalaea area on Maui, which will include a vehicle, equipment, and personnel costs for twenty-four-hour, seven-days-a-week staffing by state-certified emergency medical service personnel.

Your Committee on Conference finds that the populations of West and South Maui have significantly increased over time, resulting in an increase of calls for emergency medical services from these communities. Your Committee on Conference believes it is necessary and prudent to expand emergency medical response services, reduce response times, and increase the chances of a positive outcome for the residents of these communities.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$600,000 out of the emergency medical services special fund to fund the vehicle unit and appropriate staffing for fiscal years 2013-2014 and 2014-2015; and
- (2) Changing the effective date to July 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 S.B. No. 498, 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. 498, S.D. 2, 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 Belatti, Morikawa, Woodson and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 149 on S.B. No. 867**

The purpose of this measure is to amend the law relating to state and county contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Specifically, this measure:

- (1) Repeals provisions relating to the base monthly contributions for health benefit plans paid by the State and counties for retired public employees;
- (2) Repeals the requirement that the base monthly composite monthly contributions be adjusted annually and the method for calculating the contributions; and
- (3) Makes conforming amendments to applicable sections of the law relating to the Hawaii Employer-Union Health Benefits Trust Fund to reflect the amendments under this measure.

Your Committee on Conference finds that under existing law, retired state and county employees receive a base monthly contribution health premium benefit, the amount of which depends on the date that the retired employee entered the public employment system. The base monthly contribution formula provides an upper threshold parameter used by the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees to determine the health benefit plans for retired state and county employees. This base monthly contribution serves as a cap on the amount that the public employers are required to pay for medical, prescription drug, dental, and vision premiums. This cap could potentially become a problem if a carrier exceeds the base monthly contribution premium for non-Medicare retirees, which could cause the out-of-pocket costs to the non-Medicare retirees to increase thereby diminishing the accrued retirees' health benefits, which violates article XVI, section 2, of the Hawaii State Constitution. This measure eliminates this cap to address the potential diminishment of accrued benefits of retired public employees.

Your Committee on Conference has amended this measure by adopting the S.D. 2 version, which provides an unspecified base monthly contribution amount for supplemental Medicare and non-Medicare two-party plans and sets forth the required state and county base monthly contribution for other retiree health benefit plans as unspecified amounts beginning January 1, 2014, and amending it further by:



- (1) Adding specified base monthly contribution amounts for each employee-beneficiary enrolled in supplemental Medicare self plans, supplemental Medicare two-party plans, supplemental Medicare family plans, non-Medicare self plans, non-Medicare two-party plans, and non-Medicare family plans based on one hundred percent of the employer contribution amounts for these plans as of January 1, 2013, plus five percent; and
- (2) Changing the effective date to January 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 867, 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. 867, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Hashem, Yamashita and Johanson.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 150 on S.B. No. 46**

The purpose of this measure is to bring Hawaii into compliance with Title IV of the Higher Education Act of 1965, as amended, by establishing a post-secondary education authorization program within the Department of Commerce and Consumer Affairs (DCCA) and creating the framework for authorizing private post-secondary educational institutions in the State.

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 aid programs.

Your Committee on Conference further finds that the State was unable to satisfy all of the requirements of the Higher Education Act of 1965, as amended, 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. The State must proactively examine the requirements of the Higher Education Act of 1965, as amended, and ensure state compliance.

In fiscal year 2011, roughly 63,000 students in Hawaii received more than \$283,000,000 in federal funds under Title IV of the Higher Education Act of 1965, as amended. It is imperative that Hawaii does not jeopardize the receipt of federal funds under Title IV of the Higher Education Act of 1965, as amended.

Your Committee on Conference understands that this measure is a major departure from the status quo and will require granting DCCA the flexibility necessary to get the state authorization program up and running as quickly as possible.

Your Committee on Conference notes that once DCCA has the program in place, the following issues may need to be addressed further:

- (1) Whether the required surety bond amount should be amended to specify that the alternative amount be no more than six months' worth of the maximum prepaid tuition and fees of a private college or university; and
- (2) Determining what entity should be responsible for all prepaid, unearned tuition and fees, student loans, Pell grants, and other student financial aid assistance if an authorized private college or university ceases operation.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "accredited" by reverting to the definition in the S.D. 1 version of this measure;
- (2) Deleting the definition of "nationally recognized accrediting agency";
- (3) Amending the definitions of "private college or university" and "seminary" or "religious training institution" for purposes of clarity and consistency;
- (4) Authorizing the Director of Commerce and Consumer Affairs (Director) to appoint one or more advisory committees to assist DCCA;
- (5) Clarifying that the Director may establish the types and amount of fees DCCA may assess in order to carry out the purposes of the new chapter;
- (6) Clarifying that in order to award degrees in the State, all private colleges and universities, seminaries, and religious training institutions operating in the State on the effective date of this measure shall be authorized no later than July 1, 2014;
- (7) Removing language relating to the issuance of certificates of authorization as proof of authorization;
- (8) Clarifying that failure to maintain accreditation and to meet or maintain the requirements of financial integrity shall be grounds for the Director to refuse to reauthorize, reinstate or restore, or to deny, revoke, suspend, or condition any authorization;
- (9) Clarifying that DCCA may contract with a third party for the storage or maintenance of any records required to be deposited with DCCA;
- (10) Increasing the surety bond amount from \$5,000 to \$50,000;

- (11) Clarifying that the two-year restriction on complaints shall not apply to complaints related to obtaining transcripts;
- (12) Removing language requiring DCCA to be responsible for all prepaid, unearned tuition and fees, student loans, Pell grants, and other student financial aid assistance if an authorized private college or university ceases operation;
- (13) Specifying that any institution applying for authorization shall be required to pay the authorization fee;
- (14) Authorizing DCCA to adopt interim rules, subject to certain requirements;
- (15) Removing the repeal of the Post-Secondary Education Commission in chapter 304A, part VII, subpart C, Hawaii Revised Statutes;
- (16) Authorizing rather than mandating DCCA to hire an implementation coordinator or team to assist with the implementation of this measure;
- (17) Specifying that the implementation coordinator or team may assist the Director in establishing a staffing structure and recruiting staff necessary to carry out the purposes of this measure;
- (18) Appropriating \$400,000 to DCCA for fiscal year 2013-2014 only for the purpose of contracting an implementation coordinator or team;
- (19) Removing the authorization for three full-time equivalent (3.0 FTE) permanent positions;
- (20) Adding additional reporting requirements for DCCA and asking that DCCA report back to the Legislature prior to the Regular Session of 2015 in addition to its report prior to the Regular Session of 2014;
- (21) Making this measure effective upon its approval; provided that part IV of this measure shall take effect on July 1, 2013; and
- (22) 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. 46, 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. 46, S.D. 2, H.D. 3, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Ichiyama, McKelvey, Nishimoto, Aquino and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (Aquino).

**Conf. Com. Rep. 151 on S.B. No. 722**

The purpose of this measure is to require the Department of Accounting and General Services to coordinate efforts to establish a complete inventory of state-owned or managed public buildings, facilities, and sites on lands of the public land trust.

Act 54, Session Laws of Hawaii 2011, establishes a comprehensive information system for public lands to be used for the inventory and maintenance of information relating to the public land trust, also known as ceded lands, and other state lands. All state and county agencies are directed to assist the Department of Land and Natural Resources in facilitating the establishment of the comprehensive information system for public lands.

Your Committee on Conference finds that the inventory required to be taken and information to be maintained are important tools to assist the State to manage its assets. Insufficient information on underutilized public facilities exacerbates lost revenues for the State, so it is important that all state and county agencies work together to ensure that state facilities are used to their fullest potential.

It is not the intent of your Committee on Conference that this measure be interpreted as requiring the Department of Land and Natural Resources to transfer hardware, if such transfer would impose undue hardship on the Department's State Lands Information Management System (SLIMS), which is an essential tool of the Department to manage lands under its jurisdiction. Your Committee on Conference emphasizes that, what is important is that the information be transferred in a suitable format.

Your Committee on Conference has amended this measure by:

- (1) Specifying in the purpose section that the purpose of this measure is to require the Department of Land and Natural Resources to expand the scope of the comprehensive information system and adding to the purpose section a reference to the lands of the public land trust described in section 5(f) of the Admission Act and article XII, section 4, of the Hawaii State Constitution;
- (2) Inserting language to require the Department of Accounting and General Services to incorporate the inventory of public buildings, facilities, and sites together with the public land trust inventory and the public land trust information system;
- (3) Inserting language to require all state agencies to transfer to the Department of Accounting and General Services all programs and hardware associated with the inventory;
- (4) Inserting an appropriation amount of \$250,000 for fiscal year 2013-2014 only for the Department of Accounting and General Services to coordinate the inventory of public buildings, facilities, and sites and for the creation of a comprehensive system for asset management;
- (5) Changing the effective date to July 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. 722, 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. 722, S.D. 2, H.D. 1, C.D. 1.

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

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

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 2 (Dela Cruz, Ige).

Representatives Evans, Hanohano, Lowen, Lee and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 152 on S.B. No. 5**

The purpose of this measure is to provide fair compensation to lessees when a withdrawal or taking by the State of land leased for intensive agricultural or pastoral uses renders the land unusable for the lessees' original intended purposes.

Your Committee on Conference finds that the Department of Land and Natural Resources established conservation easements on approximately six thousand acres of lands, originally leased for pasture or special livestock use, in order to widen Saddle Road in the County of Hawaii. As a result, the lessee ranchers were prevented from grazing cattle and effectively deprived of their use of the land.

Although the Department reduced the lease rent in proportion to the taking of the land, the lessees received no other compensation. Existing law also provides no other method of compensation. However, the lessees are still required by their leases to maintain insurance on the land and pay taxes for the land they cannot use for the specific purpose for which it was originally leased. As a result, several lessees reduced their herd size and have been unable to mitigate the long-term, fixed costs associated with operating a ranch in the way they anticipated when the lease was negotiated. Thus, the lessees have experienced financial hardship for an extended period of time that is not sufficiently mitigated by a reduction in their lease rent.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to upon approval; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 5, 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. 5, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Dela Cruz).

Representatives Wooley, Evans, Onishi, Tsuji and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 153 on S.B. No. 244**

The purpose of this measure is to:

- (1) Require charter schools to complete an annual independent financial audit;
- (2) Require the State Public Charter School Commission (Charter School Commission) to develop procedures for conducting criminal history checks of persons who are employed or seeking employment in any position that places them in close proximity to children;
- (3) Specify when a charter school may use criminal history information to terminate or deny employment;
- (4) Specify charter school enrollment requirements;
- (5) Authorize the Charter School Commission to request facilities funding for charter schools as part of its annual budget request;
- (6) Amend the definition of "employee" under chapter 84, Hawaii Revised Statutes (HRS), to include any person under an employment contract to serve as chief executive officer, chief administrative officer, executive director, or designated head of a charter school;
- (7) Require Charter School Commission members to disclose to the Commission a list of all charter schools in which the member is an employee, governing board member, vendor, contractor, agent, or representative and disqualify members from voting on or participating in the discussion of such matters;
- (8) Authorize the Charter School Commission to hire employees without regard to chapters 76 and 89, Hawaii Revised Statutes;
- (9) Remove the requirement that a nonprofit organization that governs a conversion charter school make minimum annual contributions to the charter school; and

(10) Make other amendments to chapter 302D, HRS, for the purposes of clarity and consistency.

Your Committee on Conference finds that Hawaii's charter schools are ranked each year by the National Alliance for Public Charter Schools (NAPCS). In 2011, Hawaii's ranking fell from thirty-fourth place to thirty-fifth place, out of a total of forty-two states.

Your Committee on Conference further finds that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in NAPCS' rankings. This measure continues to build on the progress made by Act 130.

Your Committee on Conference has amended this measure by:

- (1) Deleting the expansion of the definition of "employee" in section 84-3, HRS, to include any person under an employment contract to serve as the chief executive officer, chief administrative officer, executive director, or designated head of a charter school;
- (2) Removing language which provided that funds distributed to public charter schools are considered expended upon distribution;
- (3) Specifying when a charter school or charter school's governing board, in consultation with the Hawaii State Ethics Commission, must adopt standards of conduct to apply to the chief executive officer, chief administrative officer, executive director, or designated head of the charter school;
- (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. 244, 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. 244, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Hee, Ige, Ihara, Kidani and Slom.

Managers on the part of the Senate.

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

Representatives Takumi, Rhoads, Ing, Ohno and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 154 on S.B. No. 877**

The purpose of this measure is to establish procedures for the Hawaii Labor Relations Board to conduct appeals and authorize the Board to notify parties of a hearing using first class mail.

Your Committee on Conference finds that this measure sets forth the procedures for the Hawaii Labor Relations Board to conduct appeals hearings. Your Committee on Conference further finds that existing law requires the Hawaii Labor Relations Board to use registered or certified mail to provide notice to parties of a hearing. This measure would permit the Board to more efficiently allocate resources by using first class mail instead.

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. 877, 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. 877, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro, Ige, Keith-Agaran and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, Hashem and Ing.

Managers on the part of the House.

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

**Conf. Com. Rep. 155 on S.B. No. 908**

The purpose of this measure is to appropriate funds for fiscal biennium 2011-2013 for public employees in collective bargaining unit (9) and for employees excluded from collective bargaining that are in the same compensation plans as those officers and employees within collective bargaining unit (9).

Your Committee on Conference finds that this measure is necessary to serve as the legislative vehicle to appropriate funds to cover collective bargaining costs and other cost items that have been awarded through arbitration.

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

- (1) Clarifying that the measure is an emergency appropriation measure that qualifies for immediate passage;

- (2) Clarifying that the appropriations are necessary to fund the salary increases and wage related costs contained in the arbitrated settlement for certain public employees;
- (3) Clarifying the sources of funding;
- (4) Limiting the appropriations contained in the measure to only fiscal year 2012-2013 and inserting specific amounts;
- (5) Highlighting the amount appropriated for the Department of Education;
- (6) Adding a lapse date of June 30, 2013, for all funds appropriated or authorized by this measure;
- (7) Changing the effective date to "upon approval" and deleting language on retroactive application to July 1, 2011; and
- (8) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 908, 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. 908, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Ihara, Kouchi and Shimabukuro.

Managers on the part of the Senate.

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

Representatives Nakashima, Luke, Takumi and Johanson.

Managers on the part of the House.

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

#### **Conf. Com. Rep. 156 on S.B. No. 551**

The purpose of this measure is to recognize the sacrifices and contributions of veterans from Hawaii by requiring the Office of Veterans Services, with the assistance of the Department of Accounting and General Services, Department of Defense, and State Historic Preservation Division, to develop plans to establish a memorial honoring the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation New Dawn, Operation Enduring Freedom, Global War on Terrorism, Homeland Defense, and Operation Noble Eagle, and those who have protected our borders by land, sea, and air.

Your Committee on Conference finds that veterans from Hawaii deserve recognition for their valiant service during recent conflicts, specifically the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation New Dawn, and Operation Enduring Freedom. Your Committee on Conference further finds that it is important to recognize service members who engaged in the Global War on Terrorism, Homeland Defense, and Operation Noble Eagle, as well as those who have protected our borders by land, sea, and air. This measure honors the courage and sacrifices of these veterans.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 551, 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. 551, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kidani, Ige, Thielen and Slom.

Managers on the part of the Senate.

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

Representatives Takai, Takayama, Ito and Ward.

Managers on the part of the House.

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

#### **Conf. Com. Rep. 157 on S.B. No. 680**

The purpose of this measure is to establish the operational infrastructure to help ensure the health and safety of the people of Hawaii by:

- (1) Creating a homeland security law and establishing within the State Department of Defense an Office of Homeland Security to be headed by the Director of Homeland Security, who is the Adjutant General;
- (2) Specifying actions the Director of Homeland Security is authorized to make, including preparing comprehensive plans and programs for homeland security and defense; developing and maintaining a list of critical infrastructure; fostering coordination on security matters with all nations of the Pacific region to the extent permitted under federal law; and soliciting and managing funds; and
- (3) Authorizing the establishment of county organizations for homeland security.

Your Committee on Conference finds that state departments and agencies are currently performing many missions and tasks to combat terrorism and support homeland security requirements without underlying statutory authority. Your Committee on Conference further finds that this measure will establish an office of homeland security to provide a comprehensive program to protect Hawaii's residents, infrastructure, and government from terrorism and attacks.

Your Committee on Conference has amended this measure by inserting an effective date of July 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 S.B. No. 680, 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. 680, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Ige, English, Kidani and Slom.  
Managers on the part of the Senate.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

Representatives Aquino, Takai, Ing, Yamashita and McDermott.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, 1 (McDermott).

**Conf. Com. Rep. 158 on S.B. No. 1256**

The purpose of this measure is to appropriate funds to the Pacific International Space Center for Exploration Systems (PISCES) for personnel costs and to support its operations and purchase equipment, which will encourage the development and expansion of the aerospace, robotics, and related industries in Hawaii.

Your Committee on Conference finds that the field of aerospace has the potential to provide significant economic development, high-paying jobs, and economic diversification for the island of Hawaii and the State. Your Committee on Conference further finds that PISCES is a prominent component of the State's aerospace industry development strategy and can help promote Hawaii's strategically ideal location for space exploration.

Your Committee on Conference has amended this measure by:

- (1) Adding a new section to chapter 201, Hawaii Revised Statutes, requiring PISCES to submit an annual report to the Legislature;
- (2) Inserting an appropriation amount of \$400,000;
- (3) Changing the effective date to July 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. 1256, 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. 1256, S.D. 1, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Choy, Tsuji, Nishimoto, Takai and Fale.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 159 on S.B. No. 23**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Kaiuli Energy, LLC, in the planning, design, and construction of a seawater air conditioning district cooling facility and chilled water distribution system.

Your Committee on Conference finds that there is broad support for the development of efficient energy systems in Hawaii. Kaiuli Energy, LLC, proposes to build a seawater air conditioning facility to serve Waikiki and nearby areas on the island of Oahu. Your Committee on Conference further finds that issuance of special purpose revenue bonds to assist Kaiuli Energy, LLC, in pursuing this project will further the State's interest in developing efficient energy systems in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Inserting a special purpose revenue bond issuance limit of \$200,000,000; and
- (2) Inserting an effective date of July 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 S.B. No. 23, 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. 23, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Lee, Tsuji, Lowen, Coffman and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 160 on S.B. No. 1133**

The purpose of this measure is to repeal the dietary supplement beverage container exemption for the deposit beverage container program but exempt containers of liquid deemed to be the sole item of a meal or diet.

Your Committee on Conference finds that along with milk, drugs, medical foods, and infant formula, dietary supplements have been excluded from the deposit beverage container program. Hawaii statute cites federal Food and Drug Administration regulations in defining “dietary supplement”. However, the Food and Drug Administration does not vigorously regulate the dietary supplement industry. This approach gives manufacturers nearly free reign to unilaterally define a product as a dietary supplement or not.

Your Committee on Conference further finds that the ambiguity of regulations for dietary supplements makes it difficult for the deposit beverage container program to make consistent eligibility determinations on potential dietary supplements for Hawaii’s program. These difficulties are frustrating to the deposit beverage container program and beverage distributors because of the disproportionate time and effort involved in making a proper determination. Removing the “dietary supplement” exemption will facilitate more consistent eligibility determinations.

Your Committee on Conference has amended this measure by:

- (1) Amending the dietary supplement exemption, rather than repealing it, to exempt a single serving of one ounce or less of a dietary supplement, as defined in the Dietary Supplement Health and Education Act of 1994 (P.L. 103-417);
- (2) Clarifying that a liquid that is deemed to be the sole item of a meal or diet is exempt if the Department of Health deems the liquid to be the sole item of a meal or diet; and
- (3) Making technical, nonsubstantive amendments for the purpose 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. 1133, 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. 1133, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Gabbard, Chun Oakland, Ihara, Keith-Agaran and Ruderman.

Managers on the part of the Senate.

Ayes, 4. Noes, none. Excused, 1 (Keith-Agaran).

Representatives Lee, McKelvey, Lowen, Kawakami and Thielen.

Managers on the part of the House.

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

**Conf. Com. Rep. 161 on H.B. No. 65**

The purpose of this measure is to:

- (1) Allow beneficiaries of prescription drug benefit plans to opt out of the requirement to purchase prescription drugs from a mail order pharmacy and, as an alternative, choose to purchase prescription drugs from a pharmacy within the pharmacy benefit manager’s retail pharmacy network;
- (2) Prohibit a pharmacy benefit manager from restricting a beneficiary’s choice of pharmacy from which to purchase prescription drugs if the pharmacy is within the network; and
- (3) Require affected entities to report to the Legislature prior to the Regular Session of 2018.

Your Committee on Conference finds that many pharmacy benefit managers and other prescription drug benefit plan providers impose certain requirements, including the requirement for beneficiaries to purchase prescription drugs from a mail order pharmacy. This mail order requirement can create significant hardships on beneficiaries, especially in rural areas, and may prevent beneficiaries from promptly obtaining urgently needed prescription drugs. Furthermore, many beneficiaries trust and rely on face-to-face interactions with their local community pharmacists, who are more familiar with a beneficiary’s medical history and who can better assist with any questions relating to other prescription drugs, over-the-counter medications, or potentially dangerous drug interactions.

Your Committee on Conference further finds that mandating mail order prescription drug purchases denies beneficiaries of this important interaction, takes away consumer choice, and can create hardship. In comparison, the implementation of this measure is intended to enhance consumer choice related to prescription benefits delivery for the State’s residents by allowing beneficiaries to opt out of mandatory mail order provisions. This measure is also intended to increase competition in the marketplace, foster better utilization of community pharmacists who communicate important prescription drug information and assist in managing the health of consumers, while remaining cost neutral to plans and beneficiaries.

Your Committee on Conference notes that nothing in this measure is intended to interfere with existing incentive programs sponsored by health plans and health maintenance organizations that are designed to encourage wellness and healthy behaviors. Rather, this measure is necessary to ensure that Hawaii continues to have a robust network of pharmacies to serve and provide choices to prescription drug benefit plan beneficiaries in the State.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition for “retail community pharmacy”;
- (2) Permitting an otherwise qualified retail community pharmacy that requests to enter into a contractual retail pharmacy network agreement accepting certain standard terms, conditions, formularies, or requirements to be considered part of a pharmacy

- benefit manager's retail pharmacy network, for purposes of a beneficiary's right to choose where to purchase covered prescription drugs;
- (3) Clarifying that it is a violation for specified entities to refuse to accept an otherwise qualified retail community pharmacy as part of a pharmacy benefit manager's retail pharmacy network;
  - (4) Specifying that a contractual retail pharmacy network agreement between a retail community pharmacy and specified entities shall be renewed annually unless agreed to by the parties, and permitting specified entities to appeal a retail community pharmacy's qualifications with the Insurance Commissioner;
  - (5) Permitting the Insurance Commissioner to determine the standards and requirements necessary for a retail community pharmacy to be deemed otherwise qualified;
  - (6) Clarifying that if a retail community pharmacy enters into a contractual retail pharmacy network agreement, specified entities shall permit beneficiaries to fill any covered prescription that may be obtained by mail order at any pharmacy of the beneficiary's choice within the pharmacy benefit manager's retail pharmacy network;
  - (7) Clarifying that specific entities who have entered into a contractual retail pharmacy network agreement with a retail community pharmacy are prohibited from imposing certain terms, conditions, or requirements on prescriptions, beneficiaries, or the use of services of a retail community pharmacy;
  - (8) Requiring specific entities to file an annual report with the Insurance Commissioner disclosing certain amounts, terms, and conditions associated with a prescription drug benefit plan for the preceding calendar year, and requiring the Insurance Commissioner to review and examine records supporting the accuracy and completeness of the report;
  - (9) Clarifying violations, penalties, and appeals under the new chapter established by this measure;
  - (10) Permitting the Insurance Commissioner to adopt rules to implement the requirements of the new chapter established by this measure;
  - (11) Clarifying that a Hawaii employer-union health benefits trust fund health benefits plan shall permit each beneficiary to fill any covered prescription in accordance with the new chapter created by this measure;
  - (12) Clarifying that specific entities are required to submit a report to the Legislature no later than twenty days prior to the Regular Sessions of 2014 and 2015, rather than the Regular Session of 2018, and clarifying the scope of the reports;
  - (13) Specifying that this measure shall not apply to contracts negotiated between pharmacy benefit managers and community retail pharmacies with a rural pharmacy designation pursuant to federal law;
  - (14) Amending the purpose section for clarity;
  - (15) Inserting an effective date of upon approval and specifying that this measure applies to all prescription drug benefit plans issued, renewed, modified, altered, or amended on or after such effective date; 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 H.B. No. 65, 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. 65, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Belatti, McKelvey, Rhoads, Evans and Fukumoto.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 162 on S.B. No. 69**

The purpose of this measure is to promote gun safety and enhance registration requirements for firearms brought into the State by:

- (1) Extending the time period for registering a firearm that is brought into the State by an individual from three days to five days after the arrival of the individual or the firearm, whichever is later;
- (2) Requiring county police departments to fingerprint, photograph, and perform background checks on individuals arriving in Hawaii with a firearm procured out-of-state when that firearm is registered in the State;
- (3) Allowing the fingerprint and photograph requirement to be waived if the individual's fingerprints and photograph were already on file with the police department;
- (4) Authorizing fees to be assessed for conducting a fingerprint check on an individual registering a firearm brought into Hawaii; and
- (5) Appropriating funds for the counties to implement this measure.



Your Committee on Conference finds that individuals registering firearms obtained in or imported into Hawaii must obtain a permit and undergo a background check. This measure closes a loophole in Hawaii's firearms law, which currently does not require individuals who bring into Hawaii firearms procured outside of the State to undergo a background check.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation; 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. 69, 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. 69, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Espero, Kouchi, Green, Ige and Kahele.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Aquino, Rhoads, Ing, Ichiyama and Thielen.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 163 on S.B. No. 106**

The purpose of this measure is to:

- (1) Establish and fund a position for an Alzheimer's disease and related dementia services coordinator;
- (2) Appropriate funds for programs and services that support the State's elderly population; and
- (3) Establish a task force on mobility management to make recommendations on establishing a transportation framework to assist elders and individuals with disabilities with transportation needs in rural communities.

Your Committee on Conference finds that keeping seniors healthy and at home is the most cost-effective manner to address the needs of one of Hawaii's most valuable societal resources. The increasing numbers of the aging population will also mean that the incidence of Alzheimer's disease and related disorders will rise. In order to effectively plan and implement statewide services to seniors and caregivers, coordination at the state level is necessary to maximize resources.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have appropriated funds for the aging and disability resource center;
- (2) Deleting language that would have appropriated funds for various senior centers;
- (3) Inserting an appropriation amount of \$70,000 to establish and fill an Alzheimer's disease and related dementia services coordinator position for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (4) Inserting an appropriation amount of \$3,600,000 for the kupuna care program for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (5) Inserting an appropriation amount of \$300,000 for the healthy aging partnership program of the Department of Health's Executive Office on Aging for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (6) Clarifying that the task force on mobility management shall make recommendations on establishing a transportation framework to assist elders and individuals with disabilities with transportation needs in each county;
- (7) Clarifying that the mobility management master plan developed by the task force shall include a transportation service component that utilizes transportation resources of nonprofit organizations that are willing to participate in a vehicle-sharing network to provide transportation services to assist elders and individuals with disabilities in each county;
- (8) Adding service providers from two counties, consumer representatives from counties not represented by service providers, and representatives of the business community to the membership of the task force on mobility management;
- (9) Clarifying that task force members may be reimbursed for reasonable expenses incurred for serving on the task force;
- (10) Inserting an appropriation amount of \$30,000 for the staffing, operations, and convening of the task force on mobility management for fiscal years 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (11) Changing the effective date to July 1, 2013; 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. 106, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 106, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, English, Kidani, Taniguchi and Slom.  
Managers on the part of the Senate.

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

Representatives Belatti, Morikawa, Cabanilla and Fukumoto.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 164 on S.B. No. 911**

The purpose of this measure is to appropriate funds for fiscal biennium 2013-2015 for all collective bargaining costs items for officers and employees within collective bargaining unit (13) and their excluded counterparts.

Your Committee on Conference finds that this measure is necessary to serve as a legislative vehicle to appropriate moneys to fund these costs.

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

- (1) Replacing its entire contents with an appropriation to the Hawaii Health Systems Corporation for each year of fiscal biennium 2013-2015 to subsidize employment costs; and
- (2) Changing the effective date to July 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 S.B. No. 911, 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. 911, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 165 on S.B. No. 895**

The purpose of this measure is to appropriate funds for the Hawaii Employer-Union Health Benefits Trust Fund costs for officers and employees within collective bargaining unit (2) and their excluded counterparts.

Your Committee on Conference finds that this measure is necessary to serve as a legislative vehicle to appropriate moneys to fund these costs.

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

- (1) Broadening the scope of the appropriations to include all collective bargaining cost items, including wage and salary increases;
- (2) Inserting appropriate amounts for collective bargaining unit (2);
- (3) Adding appropriations for collective bargaining units (3) and (4); and
- (4) Inserting additional means of financing categories to accurately reflect from which source of funding moneys will be appropriated or authorized;
- (5) Changing the effective date to July 1, 2013; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

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

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Luke, Takumi and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Takumi).

**Conf. Com. Rep. 166 on S.B. No. 902**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs in the agreement negotiated with the exclusive bargaining representative for the public employees in bargaining unit (8) and their excluded counterparts belonging to the same compensation plans for fiscal biennium 2013-2015.

Your Committee on Conference finds that this measure is necessary to provide a legislative vehicle to fund the aforementioned cost items.

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

- (1) Adding new sections to appropriate funds for salary increases;
- (2) Inserting specific amounts and additional means of financing categories from which moneys are appropriated or authorized to be used for the purposes of the measure; and
- (3) Changing the effective date to July 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 S.B. No. 902, 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. 902, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Luke, Takumi and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Takumi).

**Conf. Com. Rep. 167 on S.B. No. 909**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs contained in the agreement negotiated with the exclusive bargaining representative for the public employees in bargaining unit (13) and their excluded counterparts belonging to the same compensation plans for fiscal biennium 2013-2015.

Your Committee on Conference finds that this measure is necessary to provide a legislative vehicle to fund the aforementioned cost items.

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

- (1) Adding additional sections to appropriate funds for salary increases;
- (2) Inserting funding provisions for collective bargaining cost items for state employees in collective bargaining unit (13), and their excluded counterparts, who are assigned to the Judiciary and Hawaii Health Systems Corporation;
- (3) Earmarking amounts appropriated to the Department of Education for its employees;
- (4) Inserting specific amounts and additional means of financing categories from which moneys are appropriated or authorized to be used for the purposes of this measure; and
- (5) Changing the effective date to July 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 S.B. No. 909, 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. 909, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

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

**Conf. Com. Rep. 168 on S.B. No. 532**

The purpose of this measure is to require employers to provide a reasonable break time and location shielded from view and intrusion by coworkers and the public for breastfeeding employees to express milk in order to maintain milk supply and continue breastfeeding.

Your Committee on Conference 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 that infants within the first six months of life be given only breastmilk for nourishment. However, six months after birth, only about sixteen percent of the infants in Hawaii are exclusively breastfed, which is a little more than the thirteen percent national average. 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 to make reasonable efforts to provide a clean location for breastfeeding employees to express breastmilk in privacy.

Your Committee on Conference has amended this measure by:

- (1) Adopting the suggestions made by Breastfeeding Hawaii and the Department of Labor and Industrial Relations, which:
  - (A) Delete the definition of "person";
  - (B) Make conforming amendments to replace the term "person" with the term "individual" or "employee";

- (C) Specify that an employer with fewer than twenty employees is exempt from the requirement of making reasonable efforts to provide a clean location for breastfeeding employees to express breastmilk in privacy if the employer can show that the requirement would impose an undue hardship; and
  - (D) Specify that a defendant shall be fined \$500 for each violation of failing to provide a clean location for breastfeeding employees to express breastmilk in privacy; and
- (2) Changing the effective date from July 1, 2113, 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. 532, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 532, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Shimabukuro, Ige and Gabbard.

Managers on the part of the Senate.

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

Representatives Nakashima, Rhoads, Hashem, Ichiyama and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 169 on S.B. No. 1124**

The purpose of this measure is to authorize the Department of Health to expend fees from the dietitian licensure special fund to offset the expenses incurred relating to the licensing of dietitians.

Your Committee on Conference finds that the Department of Health incurs significant expenses through its administration of the dietitian licensure program, which was implemented in August 2012 and issued twelve dietitian licenses as of November 30, 2012, with more applications being processed. It is necessary to authorize the Department of Health to expend monies annually from the dietitian licensure special fund to offset expenses incurred through the administration of this program.

Your Committee on Conference has amended this measure by:

- (1) Inserting an amount of \$30,000 as the ceiling for monies from the dietitian licensure special fund that may be used during any fiscal year for activities associated with administering the licensure program;
- (2) Inserting a threshold amount of \$35,000, above which any excess monies in the dietitian licensure special fund as of June 30 of each fiscal year shall be deposited into the general fund; 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. 1124, 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. 1124, S.D. 1, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Chun Oakland, Solomon and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Morikawa, Ito and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 170 on S.B. No. 237**

The purpose of this measure is to authorize the Board of Education (Board) and Department of Education to facilitate the redevelopment of public school lands by cooperating with private enterprises, the various components of federal, state, and county governments, and the public in order to generate income to improve existing facilities and build schools to twenty-first century standards.

Your Committee on Conference finds that many school facilities are in dire need of repair, maintenance, and improvement of systems and infrastructure to meet twenty-first century challenges in technology and education. Looking at ways to responsibly utilize our existing lands and facilities to generate alternative sources of revenue to repair, maintain, and build twenty-first century schools is not a new concept in other states and jurisdictions, but one that must be explored cautiously through a well defined "proof of concept" here in Hawaii.

As such, your Committee on Conference has provided a well-defined framework within which the Department of Education can assess the merits and benefits of such a concept, while developing a process for community engagement and the potential for long-term viability.

Your Committee on Conference further finds that a community-based policy and planning approach will be critical to the success of the pilot program. Your Committee on Conference believes that a pilot project will serve as "proof in concept" to test and evaluate development, design, and financial models, while giving communities the opportunity to provide input and to better understand the concept of community-centered twenty-first century schools.

Your Committee on Conference has amended this measure by adopting the S.B.237, S.D. 2 version of this measure, which establishes a pilot project for the development of public school lands.

Your Committee on Conference further amended this measure by:

- (1) Placing the pilot program under the Department of Education rather than the Office of the Lieutenant Governor;
- (2) Specifying that the Board may identify and select up to five public school land sites as candidates for participation in the pilot program;
- (3) Requiring the Board to hold at least one public meeting in each affected community;
- (4) Requiring the Board to consult with the county if the site identified and selected by the Board is on county land;
- (5) Specifying that the Department of Education may lease public school land for no more than three public school land sites identified and selected by the Board;
- (6) Clarifying that leases entered into under the pilot program may be extended under section 171-36, Hawaii Revised Statutes (HRS);
- (7) Requiring that if any redevelopment involves any nonschool purposes, the redevelopment shall:
  - (A) Comply with county plans, ordinances, and zoning and development codes; and
  - (B) Acquire all required government approvals and permits;
- (8) Specifying that the Department of Education may work with and receive assistance from any other department or agency in carrying out the pilot program;
- (9) Specifying that any lease entered into by the Department of Education pursuant to this measure shall be fully executed no later than five years from the effective date of this measure;
- (10) Establishing the school facilities subaccount under section 304A-1148, HRS, rather than the school facilities special fund, into which all proceeds generated from the lease of public school lands shall be deposited;
- (11) Requiring that the Department of Education report to the Legislature no later than twenty days prior to each regular session until the completion of each project;
- (12) Adding additional reporting requirements for the Department of Education;
- (13) Inserting an appropriation amount of \$100,000 to the Department of Education to carry out the purposes of this measure;
- (14) Inserting an effective date of July 1, 2013, and deleting the sunset date for the pilot program; and
- (15) 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. 237, 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. 237, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Ige, Dela Cruz, Ruderman and Slom.

Managers on the part of the Senate.

Ayes, 3; Ayes with Reservations (Slom). Noes, 2 (Kidani, Dela Cruz). Excused, none.

Representatives Evans, Takumi, Luke, Cullen and Cheape.

Managers on the part of the House.

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

**Conf. Com. Rep. 171 on S.B. No. 1093**

The purpose of this measure is to more adequately prepare Hawaii's children for success in school by establishing a school readiness program as part of the State's early learning system.

Your Committee on Conference finds that high quality early learning programs that are affordable and accessible for children are critically important for ensuring the success of Hawaii's keiki. Developing a robust school readiness program is foundational as Hawaii works toward an early learning system for our youngest of keiki. This measure will reaffirm the Legislature's commitment to early learning by establishing a statewide school readiness program.

Your Committee on Conference further finds that currently, the Department of Human Services administers a child care assistance program called preschool open doors, whose purpose is to contribute to school readiness for children in the year prior to entering kindergarten.

Your Committee on Conference has amended this measure by:

- (1) Establishing the preschool open doors program as the statewide school readiness program within the Department of Human Services rather than the Executive Office on Early Learning;
- (2) Requiring that the preschool open doors program providers conduct school readiness assessments;

- (3) Deleting language prohibiting the program from providing instructional services that supplant or duplicate the academic program of any public or private school established to comply with section 302A-1132, Hawaii Revised Statutes;
- (4) Clarifying that the preschool open doors program service is subject to the availability of funds;
- (5) Removing the requirement that the preschool open doors program's sliding fee scale for copayment by parents or guardians be based on fulfillment of family participation requirements;
- (6) Removing the requirements relating to contracting with eligible providers of school readiness services;
- (7) Authorizing the Department of Human Services to adopt interim administrative rules without regard to chapter 91 or 201M, Hawaii Revised Statutes, subject to certain requirements;
- (8) Requiring the Department of Human Services to report to the Legislature information regarding the preschool open doors program, prior to the Regular Sessions of 2014 and 2015;
- (9) Inserting an appropriation of \$720,000 for fiscal year 2013-2014 and \$440,000 for fiscal year 2014-2015 to the Department of Human Services to establish three temporary positions and to contract services for the purposes of implementing the preschool open doors program as the statewide school readiness program;
- (10) Inserting an appropriation of \$6,000,000 for fiscal year 2014-2015 to the Department of Human Services for subsidies for the preschool open doors program;
- (11) Making this measure effective upon its approval; provided that the appropriations shall take effect on July 1, 2013; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference notes that this measure codifies the Department of Human Services' existing preschool open doors program but establishes a more rigorous program and stresses the importance of school readiness.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1093, 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. 1093, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Tokuda, Chun Oakland, Ige, Green and Kouchi.  
Managers on the part of the Senate.  
Ayes, 5. Noes, none. Excused, none.

Representatives Takumi, Luke, Ohno and Fale.  
Managers on the part of the House.  
Ayes, 4. Noes, none. Excused, none.

**Conf. Com. Rep. 172 on S.B. No. 515**

The purpose of this measure is to:

- (1) Appropriate funds to:
  - (A) The Department of Human Services to assist families experiencing and at risk of experiencing homelessness with housing placement and employment services;
  - (B) The Department of Health to provide clean and sober housing support services;
  - (C) The Department of Human Services to support the State's Housing First Program for chronically homeless individuals in the State; and
  - (D) The Department of Human Services to provide matching funds for the United States Department of Housing and Urban Development's Shelter Plus Care Program;
- (2) Establish and appropriate funds for the Return-to-Home Program, a voluntary assistance program to provide eligible homeless individuals with assistance in being reunited with family and relatives in the individual's home state outside of Hawaii;
- (3) Authorize and appropriate funds for the designation of temporary nighttime parking lots as safe overnight locations for homeless persons to live and sleep in their motor vehicles that would otherwise be parked on private or public roads or property; and
- (4) Appropriate funds to the Department of Human Services to establish safe haven campsites, with and without durational restrictions, for persons who are homeless.

Your Committee on Conference finds that homelessness is a complex issue that requires continuous resources and coordinated efforts at all levels. Homeless persons face a myriad of issues, including mental illness, substance abuse, loss of employment and income, and lack of affordable housing. New and innovative solutions are needed to help homeless persons in Hawaii, and appropriate funding for programs and services tailored to address these issues is essential.

Your Committee on Conference further finds that more information and data are needed to find solutions that will best serve the various homeless communities in the State. A working group comprised of representatives from diverse backgrounds and experiences can provide the insight that is needed to help address homelessness in Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have appropriated funds for the Homeless Programs Office of the Department of Human Services to assist families experiencing and at risk of experiencing homelessness with housing placement and employment services;
- (2) Inserting an appropriation amount of \$300,000 for substance abuse treatment and mental health support services for individuals who are homeless or at risk of becoming homeless for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (3) Inserting an appropriation amount of \$200,000 for clean and sober housing support services to be administered by the Alcohol and Drug Abuse Division of the Department of Health for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (4) Inserting language for an appropriation of \$1,000,000 for fiscal year 2013-2014 for a rental assistance program for homeless working individuals and their families who are ready to rent permanent housing to obtain and maintain permanent housing; provided that certain criteria are met related to maximum subsidy and a household's adjusted gross income;
- (5) Inserting an appropriation amount of \$750,000 for the Department of Human Services to continue to administer housing first programs for chronically homeless individuals in the State for fiscal year 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (6) Inserting findings related to the United States Department of Housing and Urban Development's homelessness prevention and rapid re-housing program;
- (7) Inserting language for an appropriation of \$150,000 for the homelessness prevention and rapid re-housing program for fiscal year 2013-2014;
- (8) Inserting an appropriation amount of \$400,000 for matching funds for the shelter plus care program of the United States Department of Housing and Urban Development for fiscal years 2013-2014 and deleting the appropriation for fiscal year 2014-2015;
- (9) Specifying that the return-to-home program shall be a three-year pilot program, rather than a permanent program, that provides eligible homeless individuals with assistance in being reunited with family and relatives in the individual's home state;
- (10) Deleting language that would have established and appropriated funds for the return-to-home special fund;
- (11) Inserting language for an appropriation of \$100,000 for implementation of the return-to-home pilot program, including all program costs and hiring of necessary staff, for fiscal year 2013-2014;
- (12) Deleting language that would have authorized the Department of Human Services, in consultation with the counties, the Hawaii Community Development Authority, and public or private homeless assistance programs, to develop temporary nighttime parking lots to provide safe overnight locations for homeless individuals to sleep in their vehicles;
- (13) Deleting language that would have appropriated funds for the designation of temporary nighttime parking lots to provide safe overnight locations for homeless individuals who live and sleep in their motor vehicles;
- (14) Deleting language that would have appropriated funds to establish two types of safe haven programs, one with durational restrictions and one without, for persons who are homeless, using designated surplus or available open or vacant locations owned by the State;
- (15) Inserting language to establish a homeless assistance working group to work within each local neighborhood in each county to identify, plan, and implement housing options for homeless persons in each local community by December 31, 2013, that reflect shared responsibility for addressing homelessness in Hawaii;
- (16) Inserting language for an appropriation of \$100,000 for fiscal year 2013-2014 for the construction and demonstration of innovative temporary housing solutions as they relate to the working group's findings and recommendations;
- (17) Changing the effective date to July 1, 2013;
- (18) Adding an effective date of no later than December 31, 2013, for the return-to-home pilot program; and
- (19) 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. 515, 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. 515, S.D. 2, H.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Chun Oakland, Green, Kidani, Ige and Taniguchi.

Managers on the part of the Senate.

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

Representatives Carroll, Cabanilla, Luke, Morikawa and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 173 on S.B. No. 403**

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

- (1) Provide that the interest on revenue bonds issued by the Board of Trustees of the Office of Hawaiian Affairs is exempt from gross income for federal income tax purposes;
- (2) Authorize the Office of Hawaiian Affairs to issue revenue bonds to fund loan programs;
- (3) Clarify that the term “office project” or “project” may include projects undertaken by the Office of Hawaiian Affairs in cooperation with other governmental entities or private individuals or organizations; and
- (4) Allow the Board of Trustees of the Office of Hawaiian Affairs to refund outstanding bonds without further authorization from the Legislature.

Your Committee on Conference finds that by expanding the Office of Hawaiian Affairs’ authority to issue revenue bonds, this measure enables the Office of Hawaiian Affairs to finance additional types of projects for its Kakaako properties, fund renovation and equipment acquisitions, and pursue new projects without significant delays caused by the need for legislative authorization. This measure also aligns the Office of Hawaiian Affairs’ revenue bond financing authority with that of other state agencies.

Your Committee on Conference has amended this measure by:

- (1) Making it effective upon approval; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 403, 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. 403, S.D. 2, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Galuteria, Keith-Agaran, Kidani, Ige and Kouchi.

Managers on the part of the Senate.

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

Representatives Hanohano, Cullen, Lee and Fale.

Managers on the part of the House.

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

**Conf. Com. Rep. 174 on S.B. No. 642**

The purpose of this measure is to amend the medical use of marijuana law to address the concerns of Hawaii’s seriously ill patients.

Your Conference on Committee has amended this measure by:

- (1) Deleting part I to remove all provisions related to the placement of tobacco products;
- (2) Deleting section 4, relating to transfers of marijuana and limitation of marijuana plants grown;
- (3) Deleting the amendment to section 329-121, Hawaii Revised Statutes (HRS), that would have added a new definition of “reimbursement;”
- (4) Amending the definition of “adequate supply” in section 329-121, HRS, to change the number of ounces of usable marijuana allowed to each qualifying patient to four ounces;
- (5) Amending the definition of “medical use” in section 329-121, Hawaii Revised Statutes, to delete the specification that the term “distribution” is limited to the transfer of marijuana and paraphernalia among qualifying patients and primary caregivers;
- (6) Amending section 329-122(a)(3), HRS, to allow the medical use of marijuana if the amount of marijuana possessed by the qualifying patient does not exceed an “adequate supply;”
- (7) Amending section 329-123(a), HRS, to make mandatory, rather than discretionary, rule making by the Department of Health to mandate all written certifications to comply with a designated form completed by or on behalf of a qualifying patient;
- (8) Amending section 329-123(a), HRS, to amend requirements for the designated form required by Department of Health rules, including the requirement that the qualifying patient shall list the address of the location where the marijuana is grown and that the address shall be listed on the registry card issued by the Department of Health;
- (9) Amending section 329-123(a), HRS, to require the certifying physician to be the qualifying patient’s primary care physician;
- (10) Amending section 329-123(a), HRS, to honor all current active medical marijuana permits through their expiration dates;
- (11) Amending section 329-123(b), HRS, to require the Department of Health to charge an annual fee of \$35 for patient registration certification;
- (12) Amending section 329-123(c), HRS, to limit primary caregivers to caring for only one qualifying patient;
- (13) Amending section 329-123(d), HRS, to allow law enforcement agencies to immediately verify a qualifying patient’s registration status twenty-four hours a day, seven days a week;
- (14) Deleting part III of this measure, which would have transferred the medical use of marijuana program from the Department of Public Safety to the Department of Health;
- (15) Changing the effective date to January 2, 2015; 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. 642, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 642, H.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Baker, Ige, Hee and Gabbard.

Managers on the part of the Senate.

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

Representatives Belatti, McKelvey, Lee, Luke, Brower and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 175 on H.B. No. 1374**

The purpose of this measure is to improve the expenditure of taxpayer dollars by revising the public procurement code to permit the past performance of bidders to be considered when awarding contracts by:

- (1) Providing that the evaluation factors for competitive sealed bidding include applicable past performance on projects of similar scope for public agencies; and
- (2) For competitive sealed proposals, allowing for the consideration of offerors' applicable past performance on projects of similar scope for public agencies.

Your Committee on Conference has amended this measure by:

- (1) Removing provisions that explicitly permit past performance to be factored into the awarding of contracts;
- (2) Providing that the use of competitive sealed bids is just one of several different methods of source selection, rather than the default method;
- (3) Changing its effective date to July 1, 2013; 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. 1374, 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. 1374, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Kouchi, Baker, English and Slom.

Managers on the part of the Senate.

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

Representatives Tsuji, Nishimoto, Brower and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 176 on H.B. No. 144**

The purpose of this measure is to, among other things, consolidate and clarify the laws relating to professional employer organizations (PEO) to ensure that only business entities that qualify as PEOs and meet the statutory requirements under Chapter 373L, Hawaii Revised Statutes, can be eligible for a state general excise tax waiver, under section 237-24.7, Hawaii Revised Statutes.

Your Committee on Conference recognizes that many businesses currently operate under various names and forms of professional employer agreements with client companies, making it difficult to recognize any meaningful distinctions between these similarly structured organizations. Your Committee on Conference finds that this measure more narrowly defines "professional employer organization" to facilitate the initial vetting of PEOs in the registration process. Furthermore, it is your Committee on Conference's intent that agencies enforcing other employment laws may independently determine under the applicable definitions in those laws whether the PEO, the client company, or both can be held liable for violations of those other employment laws.

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

- (1) Clarifying that the PEO must be responsible for providing its employees' statutory benefits by complying with the unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care laws for all workers performing services pursuant to the professional employer agreement between the PEO and the client company and shall provide notice of such to covered employees;
- (2) Removing language requiring the Director of Labor and Industrial Relations to establish rules regarding fees and other requirements for PEOs pursuant to Chapter 91, Hawaii Revised Statutes;
- (3) Amending the General Excise Tax exemption for professional employer organizations to account for the repeal of Chapter 373K, Hawaii Revised Statutes;
- (4) Providing clarifying language regarding the bond or letter of credit requirement;

- (5) Appropriating \$13,000 of general funds for fiscal year 2013-2014 to the Department of Labor and Industrial Relations to carry out the purpose of this measure;
- (6) Changing its effective date to July 1, 2013; and
- (7) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 144, 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. 144, 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 Nakashima, McKelvey, Hashem, Yamane and Johanson.  
Managers on the part of the House.  
Ayes, 5. Noes, none. Excused, none.

**Conf. Com. Rep. 177 on H.B. No. 833**

The purpose of this measure is to make an emergency appropriation for fiscal year 2012-2013 for collective bargaining cost items for officers and employees in collective bargaining unit (10) and their excluded counterparts.

Pursuant to requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 212 to the Legislature, requested immediate consideration and passage of this bill by the Legislature to address the expected cost of the arbitration settlement for collective bargaining unit (10).

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. 833, 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. 833, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

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

Representatives Nakashima, Luke, Takumi and Johanson.  
Managers on the part of the House.  
Ayes, 3. Noes, none. Excused, 1 (Takumi).

**Conf. Com. Rep. 178 on H.B. No. 668**

The purpose of this measure is to transfer administration of the State's medical marijuana program from the Department of Public Safety to the Department of Health, including by establishing the means for the Department of Health to collect program fees and expend amounts collected for purposes of program administration.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions establishing and directing the activities of the medical marijuana transition advisory group and instead placing joint responsibility for planning for and implementing the transfer of administrative responsibility for the medical marijuana program with the Department of Public Safety and the Department of Health;
- (2) Clarifying that the newly-created fund to allow the Department of Health to collect and expend medical marijuana program fees is a special fund;
- (3) Requiring, rather than permitting, the Department of Health to collect registration fees from both registered medical marijuana program patients and primary caregivers;
- (4) Providing for an orderly and graduated transfer of administrative responsibility for medical marijuana program fees from the Department of Public Safety to the Department of Health, including by making an appropriation to the Department of Health from the newly-created Medical Marijuana Registry Special Fund;
- (5) Requiring the Department of Public Safety and Department of Health to submit a joint report on the transfer of the medical marijuana program to the Legislature prior to both the 2014 and 2015 regular sessions;
- (6) Changing its effective date to upon approval; and
- (7) Making technical, nonsubstantive changes for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 668, 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. 668, H.D. 2, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Green, Espero, Hee, Chun Oakland and Slom.

Managers on the part of the Senate.

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

Representatives Belatti, Aquino, Morikawa, Kobayashi and Fukumoto.

Managers on the part of the House.

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

**Conf. Com. Rep. 179 on H.B. No. 51**

The purpose of this measure is to:

- (1) Authorize the issuance of general obligation bonds to finance project appropriations contained in Acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds; and
- (2) Make a declaration of findings regarding the authorizations as required by the Constitution of the State of Hawaii.

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 on Conference has amended this measure by:

- (1) Inserting the appropriate dollar amounts throughout the measure as provided by the Department of Budget and Finance; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 51, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 51, 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, 3. Noes, none. Excused, none.

Representatives Luke, Nishimoto and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 180 on H.B. No. 726**

The purpose of this measure is to encourage growth in the film and digital media industry by, among other things:

- (1) Extending the motion picture, digital media, and film production income tax credit until 2023;
- (2) Increasing the percentage of qualified production costs that constitutes the motion picture, digital media, and film production income tax credit applies by an unspecified amount;
- (3) Increasing the motion picture, digital media, and film production income tax credit cap to \$12,000,000;
- (4) Establishing a media infrastructure project tax credit; and
- (5) Requiring the Department of Taxation, in collaboration with the Department of Business, Economic Development, and Tourism to prepare a cost-benefit analysis and submit an annual report to the Legislature on the effectiveness of the media infrastructure tax credit.

Your Committee on Conference has amended this measure by:

- (1) Removing the media infrastructure tax credit and the reporting requirement pursuant to the media infrastructure tax credit;
- (2) Providing that the motion picture, digital media, and film production income tax credit amount increase from fifteen percent of qualified production costs to twenty percent in a county with a population of over 700,000, and from twenty percent of qualified production costs to twenty five percent in a county with a population of 700,000 or less;
- (3) Increasing the motion picture, digital media, and film production income tax credit cap to \$15,000,000;
- (4) Establishing that qualified production costs reported to the Department of Business, Economic Development, and Tourism by a taxpayer claiming the motion picture, digital media, and film production income tax credit be reported to the Legislature in non-aggregated form and redacted to preserve the confidentiality of the taxpayer;
- (5) Providing that Internet-only distributions qualify as "digital media" for purposes of the motion picture, digital media, and film production income tax credit;

- (6) Clarifying that a “qualified production” does not include news for purposes of the motion picture, digital media, and film production income tax credit;
- (7) Providing that rentals and fees for use of state and county facilities and locations that are not subject to general excise tax or income tax qualify as “qualified production costs” for purposes of the motion picture, digital media, and film production income tax credit;
- (8) Providing that government-imposed fines, penalties, or interest that are incurred by a qualified production within the state are not “qualified production costs” for purposes of the motion picture, digital media, and film production income tax credit;
- (9) Extending the motion picture, digital media, and film production income tax credit until 2019, instead of 2023;
- (10) Requiring the Department of Business, Economic Development, and Tourism to submit an annual report to the Legislature with a cost benefit analysis of the motion picture, digital media, and film production income tax credit;
- (11) Changing its effective date to July 1, 2013; and
- (12) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 726, 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. 726, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Wakai, Ige, Kidani and Kouchi.

Managers on the part of the Senate.

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

Representatives Tsuji, Luke, Choy, Ohno and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 181 on H.B. No. 697**

The purpose of this bill is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums and other cost-adjustments for officers and employees of specified legislative agencies.

Your Committee on Conference has amended this measure by:

- (1) Inserting cost-adjustment amounts for officers and employees of specified legislative agencies;
- (2) Adding the House of Representatives and the Senate to the list of legislative agencies;
- (3) Changing its effective date from July 1, 2050, to July 1, 2013; 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. 697, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 697, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, Luke, Nishimoto and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 182 on H.B. No. 152**

The purpose of this measure is to facilitate and ensure appropriate adjustments to the workers’ compensation medical fee schedule.

More specifically, this measure:

- (1) Requires the Auditor to help the Director of Labor and Industrial Relations make administrative adjustments to the medical fee schedule by:
  - (A) Identifying those medical or health care services or procedures for which fee adjustments are necessary to ensure that injured employees have better access to treatment;
  - (B) Identifying a methodology for conducting the statistically valid surveys of prevailing charges that are necessary for adjustment of the fees; and
  - (C) Recommending adjusted fees to the Director after applying the methodology;
- (2) Makes available to the Director a limited opportunity to expedite the adjustment of fees identified by the Auditor;

- (3) Requires the Auditor to recommend to the Director and Legislature a formalized process for the mandatory periodic review of the adequacy of the medical fee schedule; and
- (4) Appropriates an unspecified sum to the Auditor to assist the Director of Labor and Industrial Relations.

Your Committee on Conference recognizes that the workers' compensation medical fee schedules are complex. Your Committee on Conference believes that this measure provides a thoughtful and deliberate process for making specific adjustments to the workers' compensation medical fee schedules that avoids the unintended consequences that might flow from an across-the-board adjustment.

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

- (1) Specifying that the Auditor shall transmit any recommendations to the Director of Labor and Industrial Relations no later than June 1, 2014;
- (2) Specifying that, only between June 1, 2014, and January 1, 2015, the Director of Labor and Industrial Relations shall be authorized to adjust the fees for medical or health services or procedures identified by the Auditor as requiring adjustment, without the necessity of complying with the rule making procedures under chapter 91, Hawaii Revised Statutes; and
- (3) Inserting \$150,000 as the amount to be appropriated to the Auditor.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 152, 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. 152, H.D. 1, S.D. 2, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Hee, Ige, Kidani, Kouchi and Slom.

Managers on the part of the Senate.

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

Representatives Nakashima, Hashem, Takumi and Johanson.

Managers on the part of the House.

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

**Conf. Com. Rep. 183 on H.B. No. 858**

The purpose of this measure is to provide the funding and the coordination to reinvigorate state efforts to fuel an innovation economy and advance research innovation and commercialization.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$6,000,000 for fiscal year 2013-2014 from the general fund;
- (2) Deleting the requirement that a certain amount of the appropriation be reserved and expended for program development, program management, and oversight of program awardees;
- (3) Deleting the appropriation from the Hawaii Strategic Development Corporation Revolving Fund;
- (4) Changing its effective date to July 1, 2013, 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. 858, 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. 858, H.D. 1, S.D. 1, C.D. 1.

Signed by the Chairs on behalf of the Committee.

Senators Dela Cruz, Ige, English, Kouchi and Wakai.

Managers on the part of the Senate.

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

Representatives Tsuji, McKelvey, Luke, Cachola, Choy and Ward.

Managers on the part of the House.

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

## STANDING COMMITTEE REPORTS

**SCRep. 1            Judiciary and Labor on Jud. Com. No. 1**

Recommending that the Senate advise and consent to the nomination of the following:

DISTRICT FAMILY COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

J.C. No. 1            KEVIN A. SOUZA, for a term to expire in six years.

Your Committee has reviewed the resume and statements submitted by the appointee and finds Kevin A. Souza to possess the requisite qualifications to be appointed to the District Family Court of the First Circuit, State of Hawaii.

Testimony in support of the appointment of Mr. Souza was submitted by the State of Hawaii Organization of Police Officers and twenty-six 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 Family 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 ability to perform the 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".

Judge Souza earned his Bachelor of Arts degree in Political Science from Brigham Young University where he played football and was recognized as a Western Athletic Conference Scholar Athlete for four consecutive years. Prior to entering law school, he was awarded an East-West Center Fellowship specializing in International Law at the University of Hawaii. He later earned his Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa where he was awarded the American Jurisprudence Award for achieving the top grade in his first year Torts class and was a member of the Phi Delta Phi Legal Fraternity.

Judge Souza currently is a sole proprietor of his own private law practice specializing in criminal defense, family practice, and civil litigation. Also, he is currently serving a one-year term as a Per Diem District Family Court Judge of the First Circuit and as a panelist on the Medical Claims Conciliation Panels where he reviews and renders findings and advisory opinions on the issues of liability and damages in medical tort claims against health care providers.

Prior to establishing his own private practice, Judge Souza served as the Chief of Staff for the Honorable James "Duke" R. Aiona, Lieutenant Governor of the State of Hawaii. In this position, he coordinated and managed all day-to-day operations of the Lieutenant Governor's office, including overseeing all office personnel matters, developing and managing a multi-million dollar budget, and coordinating and directing all major office initiatives. He also served as a liaison between the Lieutenant Governor and government agencies and community organizations. Prior to serving as Chief of Staff for the Lieutenant Governor, he served as a senior trial attorney for the Office of the Public Defender where his practice focused primarily on representing accused indigent people in criminal cases within the jurisdiction of Hawaii District and Circuit Courts.

Judge Souza is licensed to practice law in Hawaii and is active in the community. He currently serves as Board Chairperson and Board Member of the Honolulu Community Action Program, a private nonprofit human services agency with the mission to alleviate poverty throughout Honolulu. He also serves as a Board Member of the Ho'okua'aina Foundation and previously served as a Board Member of the Native Hawaiian Chamber of Commerce.

Testimony in support of Judge Souza's appointment commends his experience in the private and public sectors. He has comprehensive knowledge of insurance defense, civil, commercial and real estate litigation, banking law, collections, foreclosures, and personal injury cases due to his years specializing in these areas while in private practice and working years as a Deputy Public Defender. As a Per Diem Family Court Judge, he impressed attorneys who have appeared before him with his judicial temperament and exercise of fairness to both sides. In his courtroom, he demonstrates sincere concern for the families appearing before him and communicates his awareness of the difficulties these families may experience while engaged in the family court process, especially in divorce or child protection cases. He displays strong independent judgment, integrity, honesty, acute analytical skill, a deep awareness of the issues, and compassion. His experience in the public and private sectors as well as his strong communication skills will serve him well on the Family Court bench.

As such, your Committee finds that, based on testimony submitted on his behalf, Judge Kevin A. Souza has the experience, temperament, judiciousness, and other competencies to be a District Family Court Judge. He has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a District Family Court Judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 2            Judiciary and Labor on Gov. Msg. No. 501**

Your Committee on Judiciary and Labor, to which was referred Governor's Message No. 501, submitting for study and consideration the appointment of:

CIRCUIT COURT OF THE FIRST CIRCUIT, STATE OF HAWAII

G.M. No. 501 DEAN E. OCHIAI, for a term to expire in ten years

Your Committee has reviewed the resume, personal history, experience, and statements submitted by the appointee and finds Judge Dean E. Ochiai to possess the requisite qualifications to be appointed to the Circuit Court of the First Circuit, State of Hawaii.

Your Committee received testimony in support of the appointment of Judge Dean E. Ochiai to the position of Circuit Court Judge of the First Circuit from the Honorable Neil Abercrombie, Governor of the State of Hawaii; and twelve 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 Circuit 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 ability to perform the 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".

Judge Dean E. Ochiai received his Bachelor of Business Administration degree, with distinction, from the University of Hawaii at Manoa, and his Doctorate of Jurisprudence from the University of California, Hastings College of the Law. He currently serves as a District Court Judge of the First Circuit adjudicating all civil and criminal matters within the jurisdiction of the District Court. In civil actions, he handles small and regular claims, including landlord and tenant matters, and presides over settlement conferences. In criminal actions, he handles all matters relating to traffic infractions and violations, which range from parking violations to driving under the influence cases, and other criminal matters involving property, drugs, and crimes against persons.

Prior to his appointment to the District Court bench, Judge Ochiai served as a Vice President and Managing Attorney with First Insurance Company of Hawaii, Ltd., where he was the chief trial counsel responsible for the overall management, construction, recruitment, staffing, employee evaluation, training and mentoring, active litigation, and operations of the legal department. Budgeting, negotiating, and managing of the internal operations of the company were key components of that position. Prior to his position with First Insurance Company, he served as the senior trial attorney with the Department of the Corporation Counsel of the City and County of Honolulu. In this position, he handled major complex tort, contract, construction claim, infrastructure, and geotechnical cases. Judge Ochiai also previously served as an associate attorney with Damon Key Char and Bocken, where he concentrated his practice in commercial and construction litigation, as well as a Deputy Prosecuting Attorney with the City and County of Honolulu Department of the Prosecuting Attorney.

Judge Ochiai has also been involved in the legal community, including as a member of the Hawaii Supreme Court Attorneys Disciplinary Board, Hawaii Supreme Court Judicial Arbitration Commission, and Supreme Court Committee on Pattern Civil Jury Instructions, among others. He has also served small nonprofit organizations by being a volunteer instructor for the Castle Colleagues, a program for early child care nonprofit entities, and the Weinberg Fellows, a program for social services nonprofit entities, in the areas of insurance and risk management.

Testimony submitted in support of Judge Ochiai's appointment commend his broad legal background and exemplary judicial temperament. As a District Court Judge, he has tried thirty-nine jury trials, more than three hundred non-jury trials, arbitrations, mediations, and settlements, and has monitored over two thousand civil actions since his appointment in 2011. In court, he always treats litigants and their attorneys with respect, compliments counsel for their diligence when warranted, and disposes of cases in an expeditious and fair manner. Many testifiers observed that Judge Ochiai has a wide and deep range of courtroom experience that includes criminal experience gained as a prosecutor and varied civil experiences obtained through his work with the Corporation Counsel and in private practice. He possesses strong legal analytical skills, good command of the facts in the cases being decided, solid communication skills, and even temperament. His broad experience prior to serving on the bench and experience gained as a District Court Judge will give Judge Ochiai a solid legal and judicial base in the criminal and civil cases that are within the jurisdiction of the Circuit Court.

Your Committee finds that, based on the testimony submitted on his behalf, Judge Dean E. Ochiai has the experience, temperament, judiciousness, and other competencies to be a Circuit Court Judge, and has a good sense of where the equities, rights, and responsibilities lie in a case, which is essential for a Circuit Court Judge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the appointee, has found the appointee to be qualified for the position to which appointed and recommends that the Senate consent to the appointment.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 3 Transportation and International Affairs on S.B. No. 475**

The purpose and intent of this measure is to authorize the Department of Transportation to issue harbor revenue bonds for certain harbor capital improvement projects.

Your Committee received testimony in support of this measure from the Department of Transportation, ILWU Local 142, Ocean Tourism Coalition, and two individuals.

Act 200, Session Laws of Hawaii 2008, authorized the Department of Transportation to issue harbor revenue bonds for harbor capital improvements authorized by Act 200 for certain specified capital improvement projects. The capital improvements were part of the commercial harbors modernization plan. Act 200 also placed into statute the harbors modernization plan which was then repealed by Act 152, Session Laws of Hawaii 2011.

Your Committee finds that the appropriations for capital improvement projects in Act 200 were not released and the funding has since lapsed. Act 200 lapsed all funds unencumbered as of June 30, 2012. The only legislative recourse is to continue to reintroduce this measure until the appropriations are released.

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. 475 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, none.

**SCRep. 4 Transportation and International Affairs on S.B. No. 726**

The purpose and intent of this measure is to require the rental motor vehicle surcharge tax for car-sharing organizations to be prorated at 12.5 cents per hour for rentals of less than six hours and at existing per day rates for each rental of six hours or longer.

Your Committee received testimony in support of this measure from the Department of Transportation; EAN Holdings, LLC; and two individuals. Comments were received from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee 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 exempting car-sharing organizations from the rental motor vehicle surcharge tax entirely.

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. 726, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 726, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, none.

**SCRep. 5 Transportation and International Affairs on S.B. No. 337**

The purpose and intent of this measure is to prohibit the use of certain types of wheels that are considered to be dangerous.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, and Hawaii Transportation Association. Testimony in opposition was received from Pacific Power Products.

Your Committee finds that "dangerous wheels" on vehicles have a propensity to cause vehicle accidents that result in severe injury and property damage. Dangerous wheels are designed with parts that extend past the rim, using aftermarket parts that are added to manufacturers' otherwise standard wheels. Existing laws do not address dangerous wheels.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "dangerous wheels" upon the recommendation of the Honolulu Police 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 337, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, none.

**SCRep. 6 Human Services on S.B. No. 83**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to retain dwelling units in housing projects for lease or rent to nonprofit organizations and government agencies and to provide for the development of community facilities for lease or rent to nonprofit organizations and government agencies.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, the Community Alliance for Mental Health, and one individual.

Your Committee finds that the Hawaii Public Housing Authority works with the United States Department of Housing and Urban Development, the State Legislature, and nonprofit service providers to meet the needs of Hawaii's most vulnerable populations, such as the elderly, disabled, and extremely low-income households. Services such as social self-sufficiency classes and job training used to be administered by the Hawaii Public Housing Authority in asset management projects and were previously funded through a grant from the Department of Housing and Urban Development. However, the Hawaii Public Housing Authority no longer receives this funding and is trying to find creative ways to provide these nonprofit services to residents once again.



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. 83 and recommends that 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 (Kidani).

**SCRep. 7 Human Services on S.B. No. 86**

The purpose and intent of this measure is to move the state income tax and obligations exemption for public housing agencies from the laws governing the Hawaii Housing Finance and Development Corporation to the laws governing the Hawaii Public Housing Authority and correct a reference to a section of the United States Housing Act of 1937.

Your Committee received testimony in support of this measure from the Department of Human Services and the Hawaii Public Housing Authority. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the United States Housing Act of 1937, as amended, provides for public housing agencies to issue obligations secured by a variety of United States Department of Housing and Urban Development funds to finance the development of low-income housing projects. The Housing Act further provides that any such obligations, including interest thereon, that are issued by a public housing agency, and any income derived by the public housing agency from such projects, are exempt from all taxation imposed by the United States. Current state laws provide that such obligations and income should also be exempt from all taxation imposed by the State. Your Committee further finds that this measure corrects the misplacement of the statute providing the exemption, which was caused when the Hawaii Housing Finance and Development Corporation and the Hawaii Public Housing Authority bifurcated on July 5, 2005.

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. 86 and recommends that 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 (Kidani).

**SCRep. 8 Human Services on S.B. No. 87**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to contract with a corporation for management and other support services when the Authority determines it is unable to perform these services.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. Testimony in opposition to this measure was received by the State Procurement Office and the Hawaii Government Employees Association.

Your Committee finds that although existing law allows the Hawaii Public Housing Authority to designate corporate agents to hire private property management companies to manage asset management projects, this measure clarifies that authority and provides the Authority with greater flexibility to further assist the neediest individuals, families, elders, and disabled individuals with acquiring public housing and services that are currently unavailable to them.

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. 87 and recommends that it pass Second Reading and be referred to the Committee on Economic Development, Government Operations and Housing.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Taniguchi). Noes, none. Excused, 1 (Kidani).

**SCRep. 9 Human Services on S.B. No. 90**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to adopt policies, regulations, standards, procedures, and rental agreements for its federal programs in the manner prescribed by the federal government; provided that federal laws, rules, and regulation prevails in the case of conflicts between state and federal laws, rules, and regulations.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. Testimony in opposition to this measure was received by the Drug Policy Forum of Hawaii.

Your Committee finds that under current Hawaii laws, the Hawaii Public Housing Authority can adopt administrative rules governing its federal programs in accordance with chapter 91, Hawaii Revised Statutes. The Hawaii Public Housing Authority's federal programs are additionally subject to extensive regulation by federal laws, rules, regulations, contracts, notices, memoranda, and other instruments issued by the United States Department of Housing and Urban Development. These federal regulations are applicable to all public housing agencies nationwide and can require amendments to, adoption of, and repeal of any administrative policies and procedures of a public housing agency.

Your Committee also finds that federal requirements for public housing agencies more than adequately protect the interests of the public and ensure accountability and resident and public involvement in the adoption, amendment, or modification of program rules and regulations. The imposition of additional state requirements may unnecessarily delay and burden the administration of the Authority's programs.

Your Committee has heard the testimony expressing concerns about medicinal marijuana because of the differences between federal and state laws. The Hawaii Public Housing Authority already has administrative rules that allow for reasonable accommodations for residents; however, your Committee finds that this issue raises concerns that merit further consideration by your Committee on Judiciary and Labor.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 90, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 90, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 10 Human Services on S.B. No. 91**

The purpose and intent of this measure is to appropriate funds for the state rent supplement program for homeless working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, the Hawaii Appleseed Center for Law and Economic Justice, Catholic Charities Hawaii, The Institute for Human Services, PHOCUSED, the Partners in Development Foundation, the Community Alliance for Mental Health, and the Hawaii Substance Abuse Coalition.

Your Committee finds that working families and individuals have income to pay rent, but the income is often not sufficient to pay the full market rent. For many homeless people, waiting for public housing seems to be the only option, since it would provide a very low cost rent. However, waitlists for this housing are very long. With help from a shallow subsidy, working families may be able to more quickly move out of homelessness.

Your Committee has amended this measure by:

- (1) Inserting an appropriation for an unspecified amount to the Department of Human Services to hire and train one program specialist to monitor the state rent supplement program and to contract out the implementation of the state rent supplement program statewide;
- (2) Changing the expending agency to the Department of Human Services;
- (3) Specifying that the monitoring of the program by the program specialist shall commence no later than January 1, 2014, to provide the Department of Human Services sufficient time to hire and train the program specialist; 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. 91, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 91, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 11 Human Services on S.B. No. 92**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to continue to administer Housing First programs for chronically homeless individuals in the State.

Your Committee received testimony in support of this measure from the Hawaii Appleseed Center for Law and Economic Justice, Catholic Charities Hawaii, the Drug Policy Forum of Hawaii, Partners in Care, PHOCUSED, the Partners in Development Foundation, and the Community Alliance for Mental Health. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the Housing First program has proven its success in many states as a way to more effectively address the chronically homeless. These homeless are often the most visible homeless, living in our neighborhoods, doorways, and under bridges. These persons experience homelessness over a long period of time and incur very significant public costs. Housing First assists them to gain permanent housing and then provides the services needed to keep them in housing and successfully transition off the streets.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount from \$1,000,000 to \$1,500,000 to reflect the amount requested by the Department of Human Services in the Governor's proposed Executive Budget; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 92, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 92, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 12 Human Services on S.B. No. 305**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to develop public housing projects and to develop commercial and industrial properties in connection with the development of public housing dwelling units.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and the Community Alliance for Mental Health.

Your Committee finds that under current state laws, the Hawaii Public Housing Authority is allowed to develop several different classes of land, such as public land in agricultural districts and certain federal lands. This measure would enable the Hawaii Public Housing Authority to provide more development options to further serve the low-income residents of Hawaii and benefit the surrounding communities in which those properties are situated.

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. 305 and recommends that 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 (Kidani).

**SCRep. 13 Human Services on S.B. No. 728**

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds for the construction of the Senior Residence at Piikoi, an affordable senior rental housing project on Oahu.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; the Hawaii Housing Finance and Development Corporation; the Pacific Housing Assistance Corporation; and Alexander and Baldwin, Inc.

Your Committee finds that with the aging of Hawaii's population, the need for affordable rental housing becomes especially acute for senior citizens. Nearly twenty-nine percent of Hawaii's population is over fifty years of age. Facing challenging economic conditions, the ability to meet monthly housing expenses is a constant and growing concern for senior renters.

Your Committee has amended this measure by:

- (1) Changing the description of the land on which the Senior Residence at Piikoi will be situated from state-owned leased land to gifted land; 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. 728, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 728, 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 (Kidani).

**SCRep. 14 Health on S.B. No. 198**

The purpose and intent of this measure is to amend section 457-8.5, Hawaii Revised Statutes, to recognize and adopt the National Council of State Boards of Nursing's consensus model by clarifying language relating to advanced practice registered nurse educational requirements.

Your Committee received testimony in support of this measure from the University of Hawaii at Manoa School of Nursing and Dental Hygiene, the University of Hawaii at Hilo School of Nursing, Hawai'i Pacific Health, Hawaii Long Term Care Association, The Queen's Health Systems, Hawai'i State Center for Nursing, Blood Bank of Hawaii, Healthcare Association of Hawaii, the American Organization of Nurse Executives Hawaii Chapter, the Hawai'i Association of Professional Nurses, the Board of Nursing, and nine individuals.

Your Committee finds that under existing state law, advanced practice registered nurses may only be recognized if they receive a master's degree in certain nursing fields. This precludes recognition of nurses who earn a Doctor of Nursing Practice degree and other nationally recognized clinical doctorates in nursing, which directly impacts Doctor of Nursing Practice graduates of the University of Hawaii at Manoa School of Nursing and the University of Hawaii at Hilo School of Nursing. Your Committee further finds that it is necessary to expand the State's recognition of nurses who complete an accredited graduate-level education program preparing the nurse for one of the recognized advanced practice registered nurse roles  certified registered nurse anesthetist, nurse midwife, clinical nurse specialist, and nurse  regardless of whether the program leads to a master's 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. 198 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. 15 Health on S.B. No. 527**

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 the Department of Health, The Queen's Medical Health Systems, Planned Parenthood of Hawaii, the Hawaii Medical Association, and the Cancer Action Network.

Your Committee finds that breast cancer is the most common cancer among women in Hawaii and is currently the second leading cause of cancer deaths among women. Although breast cancer is not preventable, regular mammograms and clinical breast examinations are critical to early detection and improved survival. Cervical cancer, on the other hand, is preventable and can be detected early through regular screening. This measure provides necessary funding for the comprehensive breast and cervical cancer

control program to continue the critical screening, diagnostic, and treatment services that improve and save the lives of over 1,000 women every year.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 527 and recommends that 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. 16 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 531**

The purpose and intent of this measure is to require businesses licensed under chapter 281, Hawaii Revised Statutes, to post signs warning of the risks of birth defects for women drinking alcohol during pregnancy.

Your Committees received testimony in support of this measure from the Department of Health, Health Mothers Healthy Babies Coalition, March of Dimes Hawaii Chapter, and the Malama Family Recovery Center. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the use of alcohol by women during pregnancy can cause birth defects and fetal alcohol spectrum disorders, including physical, mental, behavioral, and learning disabilities. Your Committees further find that warnings regarding these risks should be posted in all premises licensed to sell liquor under chapter 281, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 531 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.

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 17 Commerce and Consumer Protection on S.B. No. 891**

The purpose and intent of this measure is to improve the regulation of notaries by:

- (1) Clarifying the information required to be on notary seals; and
- (2) Authorizing the Attorney General to adjust notary commission and renewal fees and establish and adjust other fees relating to the regulation of notaries through the adoption of administrative rules.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that this measure requires a notary public to include the notary public's unique commission number on the notary public's stamp or seal. This requirement will help deter the fraudulent use of notary stamps or seals, assist in ascertaining and tracking the correct notary public, and locate a specific notary public's record books.

Your Committee further finds that fees associated with notary commission and renewal have not increased since 1998. However, the number of notaries in the State has significantly increased over the years, along with a rising number of complaints against notaries and requests for copies of entries in notary record books relating to disputed or litigated transactions.

Your Committee also finds that this measure allows fees related to the regulation of notaries public to be established and adjusted upon the adoption of administrative rules. The Department of the Attorney General has spent significant time overseeing the State's notary program, and the flexibility afforded to the Department by this measure will enable continued improvements to the processing of applications and renewals; research and timely responses to inquiries, requests, and complaints; and general regulation of notary practice and conduct.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 891 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Wakai).

**SCRep. 18 Commerce and Consumer Protection on S.B. No. 503**

The purpose and intent of this measure is to permanently prohibit private transfer fees by eliminating the sunset date of Act 169, Session Laws of Hawaii 2010.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and Hawaii Land Title Association.

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 if left unregulated, private transfer fees may be misused or 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 2011, thirty-six 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 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. 503 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Wakai).

**SCRep. 19 Commerce and Consumer Protection on S.B. No. 499**

The purpose and intent of this measure is to adopt the Uniform Partition of Heirs Property Act, which establishes procedures and remedies for use in actions for partition of real property involving heirs property.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation.

Your Committee finds that in 2010, the Uniform Law Commission promulgated the Uniform Partition of Heirs Property Act to provide a fair solution to the risks posed to those who own heirs property, which is real property held in tenancy in common that meets certain requirements.

Your Committee further finds that this measure does not displace existing partition law for non-heirs property, nor does it prohibit a party from petitioning for partition by sale or apply to situations where there is a written agreement relating to property partition. Rather, this measure establishes a hierarchy of remedies designed to protect a family's property holdings and real property wealth for partition actions involving heirs property. Your Committee also finds that this measure provides cotenants with many of the rights and protections found in private agreements governing the partition of tenancy in common property.

As affirmed by the record of votes of the members of 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. 499 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Wakai).

**SCRep. 20 Agriculture on S.B. No. 593**

The purpose and intent of this measure is to subsidize livestock feed costs for qualified producers of milk, including goat milk, pork, eggs, poultry, beef, sheep and lamb meat, fish, and crustaceans.

Your Committee received testimony in support of this measure from the Department of Agriculture, Kauai Kunana Dairy, 4 Ag Hawaii, the Local Food Coalition, Hawaii Aquaculture and Aquaponics Association, Hawaii Cattlemen's Council, Lani's Goats, Hawaii Farm Bureau Foundation, Ulupono Initiative, and one individual. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii.

Your Committee finds that livestock feed costs can constitute up to seventy percent of total production costs. Due to the prolonged drought in the State and on the mainland, feed costs are skyrocketing. Providing subsidies to the livestock industry will prevent farm closures; promote investment in modern equipment to expand and improve livestock production; and promote development of new markets and products. Subsidies will improve the economic viability of local agriculture and increase food security.

Your Committee has amended this measure by:

- (1) Clarifying that the subsidy applies to qualified producers who produce fish and crustaceans farmed by aquacultural practices;
- (2) Disallowing a subsidy within a fiscal quarter to a qualified producer where the herd size falls below thirty sheep or lambs in the applicable fiscal quarter;
- (3) Capping the subsidy for feed costs for sheep, lambs, fish, and crustaceans at fifty percent of the respective feed costs;
- (4) Prohibiting reimbursement of feed cost to qualified producers when the amount of reimbursement will result in an annual profit of more than eight percent for sheep, lamb meat, or seafood producers; 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 S.B. No. 593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 593, 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 (Thielen, Wakai). Noes, none. Excused, 1 (Slom).

**SCRep. 21 Agriculture on S.B. No. 326**

The purpose and intent of this measure is to establish a good agricultural practices task force to identify good agricultural practices and preventative measure guidelines in the food supply system to improve the overall safety of locally grown food.

Your Committee received testimony in support of this measure from the Department of Agriculture, Land Use Research Foundation of Hawaii, Lani's Goats, Hawaii Farm Bureau Federation, and one individual.

Your Committee finds that good agricultural practices that will improve the safety of locally grown food are vital to the safety and security of the State and to the economic viability of local agriculture. Your Committee also finds that the federal Food Safety Modernization Act was recently enacted and the federal government is in the process of issuing regulations that will affect Hawaii's agricultural practices. The good agricultural practices task force will develop preventative measures and guidelines to improve food safety in Hawaii and will also provide a platform for the State to address the pending federal regulations.

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. 326 and recommends that 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. 22          Agriculture on S.B. No. 524**

The purpose and intent of this measure is to establish state planning and policy objectives for the economy and fund programs that will increase the demand for and access to locally grown food to improve Hawaii's food self-sufficiency.

Your Committee received testimony in support of this measure from the Department of Agriculture, College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, Land Use Research Foundation of Hawaii, Lani's Goats, the League of Women Voters of Hawaii, Hawaii Aquaculture and Aquaponics Association, Hawaii Farm Bureau Federation, and one individual.

Your Committee finds that this measure will implement the recommendations made in the 2012 report issued by the Office of Planning and the Department of Agriculture titled "Increased Food Security and Food Self-Sufficiency Strategy: A State Strategic/Functional Plan Prepared in Accordance with HRS Chapter 226 Hawaii State Plan and the Hawaii Comprehensive Economic Development Strategy." This measure will provide the necessary funding to implement programs that increase access to locally grown foods, increase the demand for production of locally grown foods, and provide the institutional support needed to promote and improve food self-sufficiency in Hawaii.

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. 524 and recommends that 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. 23          Human Services on S.B. No. 94**

The purpose and intent of this measure is to add the Executive Director of the Hawaii Public Housing Authority to the Hawaii Interagency Council on Homelessness.

Your Committee received testimony in support of this measure from the Department of Human Services, Department of Health, Catholic Charities Hawaii, The Institute for Human Services, Community Alliance for Mental Health, and one individual. Your Committee received comments on this measure from the Hawaii Public Housing Authority.

Your Committee finds that homelessness is growing in Hawaii. This complex issue requires greater collaboration and coordination on strategic initiatives if we are to end homelessness in Hawaii. The Hawaii Interagency Council on Homelessness has been established to gather diverse government entities, as well as representatives from the homeless coalitions and business, faith-based, and other organizations. The mission of the Hawaii Public Housing Authority is to provide safe, decent, sanitary, and affordable housing to extremely low income Hawaii residents, some of whom are homeless or on the brink of homelessness. As such, adding the Executive Director of the Authority to the membership of the Hawaii Interagency Council on Homelessness would improve the effectiveness and efficiency of the Council.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 94 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 (Kidani).

**SCRep. 24          Commerce and Consumer Protection on S.B. No. 8**

The purpose and intent of this measure is to:

- (1) Prohibit the owner of an animal, and the owner's employees, from performing surgical procedures on the animal without being licensed as a veterinarian;
- (2) Establish that intentionally or knowingly performing any surgical procedure on a pet animal by any person not licensed as a veterinarian is a class C felony; and
- (3) Specify that accepted veterinary practices and cropping or docking as customarily practiced shall not be considered cruelty to animals in the first degree if performed by a licensed veterinarian.

Your Committee received testimony in support of this measure from The Humane Society of the United States, Hawaiian Humane Society, Hawaii Island Humane Society, West Hawaii Humane Society, Hawaii Veterinary Medical Association, Equine 808 Horse Rescue, and twenty-one individuals. Your Committee received testimony in opposition to this measure from The Pet Hale and six individuals. Your Committee received comments on this measure from the Board of Veterinary Examiners.

Your Committee finds that surgical procedures, including surgical birth, ear cropping, tail docking, dewclaw removal, and debarking, are extremely painful to a pet animal if performed improperly by someone other than a licensed veterinarian. Serious infection, shock, and even death of a pet animal can result when these procedures are performed by non-veterinarians.

Your Committee further finds that pet animals that undergo these surgical procedures require proper pre- and post-operative care and anesthesia to reduce complications, blood loss, and distress. This measure therefore promotes the humane treatment of pet animals by ensuring that pet animals undergoing surgical procedures will do so under the care of an appropriately licensed veterinarian.

Your Committee has amended this measure by:

- (1) Specifying that the prohibited conduct referenced in this measure is the performance of surgical procedures by the owner of a pet animal and the owner's employees on the pet animal, where "pet animal" has the same definition as in section 711-1100, Hawaii Revised Statutes; and
- (2) Specifying that the surgical procedures on pet animals referenced in this measure include dewclaw removal.

As affirmed by the record of votes of the members of 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. 8, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 8, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Wakai).

**SCRep. 25 Commerce and Consumer Protection on S.B. No. 341**

The purpose and intent of this measure is to:

- (1) Determine the priority of the persons who may direct the disposition of a decedent's remains and the arrangements for funeral goods and services;
- (2) Permit funeral establishments, cemeteries, mortuaries, and crematories to rely and act upon written directions from the decedent or persons who have the right of disposition without liability; and
- (3) Permit funeral establishments, cemeteries, mortuaries, and crematories to control the disposition and dispose of a decedent's remains in certain circumstances.

Your Committee received testimony in support of this measure from Hawaii Funeral and Cemetery Association, Inc.; Mililani Group, Inc.; Oahu Cemetery Association; Leeward Funeral Home; Hosoi Garden Mortuary, Inc.; Hawaiian Memorial Life Plan, Ltd.; and Dodo Mortuary, Inc. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that funeral establishments, cemeteries, mortuaries, and crematories are often approached by persons who had a relationship to a decedent and who wish to direct or assist with the disposition of the decedent's remains. In a best case scenario, the decedent's wishes regarding disposition are indicated in a written instrument, the establishments have a record of the decedent's wishes, and there is no contrary wish of any surviving person. However, in some situations, the decedent may not have provided written direction for disposition or there may be a dispute amongst the decedent's survivors over the decedent's wishes.

Your Committee further finds that forty-eight states have enacted legislation that specifies the priority of persons who may control the disposition of a decedent's remains or the arrangements for funeral goods and services. This measure permits Hawaii to join these other states by clearly establishing the priority of the persons who may control the disposition of a decedent's remains and the arrangements for funeral goods and services, and providing certainty for funeral establishments, cemeteries, mortuaries, and crematories to take direction from these persons and promptly provide needed services.

Your Committee has amended this measure by:

- (1) Clarifying that a funeral establishment, cemetery, mortuary, or crematory may, rather than shall, rely on and act according to the instructions of the first of two or more persons in the same priority class to make funeral and disposition arrangements, under certain conditions;
- (2) Clarifying that the immunity for good faith reliance established in this measure shall not apply to gross negligence, intentional, willful, or wanton conduct; and
- (3) Making a conforming amendment to 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. 341, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 341, 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 (Wakai).

**SCRep. 26 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on S.B. No. 382**

The purpose and intent of this measure is to permit the County of Hawaii to appropriate the county's share of fuel tax revenue for the maintenance of substandard private subdivision roads that are used by the public.

Your Committees received testimony in support of this measure from the Office of the Mayor of the County of Hawaii, Maui County Department of Public Works, Friends of Puna's Future, Marooned Farms LLC, Kopua Farmlots, Hawaiian Shores Community

Association, Hawaiian Paradise Park, and numerous individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that growing populations served by private subdivision roads present the counties with serious safety and economic concerns. Although these roads are accessed by the general public, they are maintained by private citizens or not maintained at all, rendering the roads impassable. This measure would give the County of Hawaii the flexibility to use fuel tax revenue to improve private subdivision road conditions, ensuring the safe passage of residents, visitors, emergency service vehicles, and school buses.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 382 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Transportation and International Affairs  
Ayes, 6; Ayes with Reservations (Kouchi). Noes, none. Excused, 3 (Gabbard, Solomon, Slom).

**SCRep. 27 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on S.B. No. 539**

The purpose and intent of this measure is to exempt certain totally and permanently disabled veterans from paying motor vehicle registration expenses.

Your Committees received testimony in support of this measure from the State Office of Veterans' Services; the City and County of Honolulu Division of Motor Vehicle, Licensing, and Permits; and several individuals. Your Committees received testimony in opposition to this measure from the Department of Transportation. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that it is necessary to give back to veterans who have served valiantly in support of and sacrifice to the United States. Furthermore, the nature of veterans' disabilities often will not allow them to pursue paid employment, and their fixed income generally falls short of their cost of living. The exemption of certain totally and permanently disabled veterans from paying motor vehicle registration expenses will improve the quality of life for the veterans and their dependents.

Your Committees have amended this measure by:

- (1) Deleting the honorable discharge eligibility requirement for the exemption and specifying instead that a veteran who is discharged from the United States uniformed armed forces is eligible except if dishonorably discharged; and
- (2) Excluding vehicles used for commercial purposes and more than one vehicle of a disabled veteran from the exemption.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 539, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 539, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (Gabbard, Solomon, Slom).

**SCRep. 28 Human Services on S.B. No. 916**

The purpose and intent of this measure is to:

- (1) Establish that if a protective order is issued to prevent sexual offenses or child abuse or a recurrence of such acts that would constitute a felony between family or household members or if a licensed mental health professional submits an affidavit made under oath or under penalty of perjury to a court stating that the person suffers from instances of extreme psychological abuse, the court shall issue a permanent protective order; and
- (2) Amend the definition of domestic abuse to include sexual offenses or child abuse committed by one family or household member against another family or household member, regardless of the age of either member.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Judiciary, Hawaii State Coalition Against Domestic Violence, and Domestic Violence Action Center.

Your Committee has heard testimony of the Judiciary expressing concerns that:

- (1) This measure does not appear to add any new remedy, as current procedures appear to work in the petitioners' interests;
- (2) This measure deprives petitioners of their ability to make decisions about their civil action and their lives;
- (3) There may be unintended and unforeseen consequences because of the measure's specifics; and



- (4) Unless the defendant agrees to the court's reliance on an affidavit, the court will be unable to follow this measure because of due process problems.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 916, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 916, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 29 Human Services on S.B. No. 815**

The purpose and intent of this measure is to appropriate funds for the Honolulu Zero to Three Court for various program purposes.

Your Committee received testimony in support of this measure from the Judiciary. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that in 2008, the family court started the Zero to Three Court in response to increasing scientific evidence that supported a finding that babies and toddlers are neurologically compromised by dysfunctional family dynamics even if they are not directly physically harmed, resulting in long lasting compromised behaviors and learning disorders, early intervention is effective in preventing or alleviating these problems, and there are proven techniques that can help many of these babies and toddlers. This measure will enable the Zero to Three Court to continue providing essential services to babies and families until more sustainable state funding can be secured.

Your Committee has amended this measure by changing the expending agency from the Department of Human Services to the Judiciary.

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. 815, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 815, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 30 Human Services on S.B. No. 529**

The purpose and intent of this measure is to:

- (1) Prohibit family courts from awarding a person custody of or visitation with a child if the person has been convicted of rape or sexual assault and the child was conceived as a result of that violation; and
- (2) Authorize the family courts to terminate parental rights, with respect to a child, of a natural father who has been convicted of rape or sexual assault and the child was conceived as a result of the rape or sexual assault.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women and the Sex Abuse Treatment Center.

Your Committee finds that state law does not prevent a natural father from claiming paternity rights and obtaining custody of or visitation with a child conceived as a result of sexual assault or rape. The father is afforded the same rights as any other father despite the sexual assault or rape against the victim-mother because Hawaii does not have a law restricting or terminating those rights. Consequently, any natural father may assert paternity rights, including custody and visitation, forcing a victim-mother to confront the natural father on a recurring basis while raising a child conceived from a sexual assault or rape.

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. 529 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 31 Human Services on S.B. No. 392**

The purpose and intent of this measure is to establish the interagency coordinating body for youth and family programs within the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Education; the Hawaii National Guard Youth Challenge Academy; and Hale Opio Kauai, Inc. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that as many private organizations collaborate to benefit their target populations, state agencies should similarly make a collective and synergistic impact by utilizing their collective resources in a more intentional and informed manner through a coordinating body for youth and family programs. This effort would result in each state agency having more knowledge of services that are being provided and by whom and should lead to youth and families having more knowledge and access to a comprehensive and coordinated array of 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. 392 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 32 Human Services on S.B. No. 303**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and the appropriation of funds into the rental assistance revolving fund for purposes of expanding the rental assistance program.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, the Hawaii Public Housing Authority, the Hawaii Association of REALTORS, the Hawaii Appleseed Center for Law and Economic Justice, the Pacific Housing Assistance Corporation, Catholic Charities Hawaii, and the International Longshore and Warehouse Union 142 Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the rental assistance revolving fund targets funding to low-income families as they enter housing. Even more important, new funding would support the development of new affordable buildings that could offer this project-based, not tenant-based, subsidy. The average subsidy is between \$175 and \$250 per month. Your Committee further finds that this subsidy makes it possible for families to be financially stable and keep their unit over time; this in turn strengthens the financial viability of affordability of affordable housing projects, which are in short supply.

Your Committee has heard the testimony of the Department of Budget and Finance expressing concerns that federal tax law requires that tax-exempt general obligation bond proceeds be used to finance projects that serve public purposes. As it appears that private entities will derive the benefit of the rental housing trust fund, tax-exempt general obligation bond proceeds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the rental housing trust fund to provide financing to private entities. Your Committee finds that this issue raises concerns that merit further consideration by your Committee on Ways and Means.

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. 303 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

**SCRep. 33 (Majority) Human Services on S.B. No. 302**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for deposit into the rental housing trust fund to finance affordable rental housing development.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, the Hawaii Public Housing Authority, Catholic Charities Hawaii, the Hawaii Association of REALTORS, the Hawaii Appleseed Center for Law and Economic Justice, the Pacific Housing Assistance Corporation, the International Longshore and Warehouse Union Local 142 Hawaii, and the Community Alliance for Mental Health. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that as of June 30, 2012, 4,250 rental units had been created or were underway with the assistance of the rental housing trust fund and other leveraged funding. The rental housing trust fund has many more applications than can be funded with the current funds. In fiscal year 2012, the rental housing trust fund received \$37,000,000 in project requests but was only able to commit \$20,700,000 for four out of the nine projects due to limited resources. Your Committee further finds that the Hawaii Housing Finance and Development Corporation has the ability to quickly and efficiently utilize appropriations through the rental housing trust fund.

Your Committee has heard the testimony of the Department of Budget and Finance expressing concerns that federal tax law requires that tax-exempt general obligation bond proceeds be used to finance projects that serve public purposes. As it appears that private entities will derive the benefit of the rental housing trust fund, tax-exempt general obligation bond proceeds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to allow the rental housing trust fund to provide financing to private entities. Your Committee finds that this issue raises concerns that merit further consideration by your Committee on Ways and Means.

Your Committee has amended this measure by inserting a general obligation bond authorization amount and appropriation amount of \$30,000,000 for fiscal years 2013-2014 and 2014-2015.

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. 302, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 302, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 34 Human Services on S.B. No. 107**

The purpose and intent of this measure is to create the Hawaii kupuna trust fund, which comprises public and private funding for meeting the outstanding and future needs of the elderly and dependent adult population.

Your Committee received testimony in support of this measure from the Executive Office on Aging, the County of Hawaii Office on Aging, the Community Alliance for Mental Health, and one individual.

Your Committee finds that Americans with multiple, chronic health conditions and increased rates of disability in old age are living longer now than in the past. Furthermore, the aging of the population in Hawaii guarantees that there will be a greater need for long term care in the future. Between 2007 and 2030, the population aged eighty-five and older, which has the greatest need for long term care, will increase by almost two-thirds.

Your Committee has amended this measure by:

- (1) Deleting the definition of "dependent adult", adding a definition for "vulnerable adult", and replacing references to "dependent adult" with "vulnerable adult" for consistency with existing statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 107, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 107, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 35 (Majority) Human Services on S.B. No. 85**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to establish the resident programs and services trust fund, to be administered by the Authority.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, the Community Alliance for Mental Health, and one individual. Testimony in opposition to this measure was received by the Department of Budget and Finance and the State Procurement Office. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that the establishment of a resident programs and services trust fund by the Hawaii Public Housing Authority will significantly improve the ability of the Authority to ensure that the tenants of public housing receive much needed resident programs and services, such as family self-sufficiency programs, employment training and opportunities, and education- and health-related services, that will not only improve their quality of life, but also assist the tenants in transitioning out of public housing.

Your Committee has amended this measure by:

- (1) Specifying that the education- and health-related programs and services that may be funded by the resident programs and services trust fund shall be those deemed appropriate by the Authority, thereby allowing the agency the flexibility to include other uses of the fund when future programs and services might arise; 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. 85, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 85, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Kidani).

**SCRep. 36 Human Services on S.B. No. 82**

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii Public Housing Authority to sell, lease, rent, hold, maintain, use, and operate certain properties;
- (2) Authorize the Authority to receive all gifts; provided that they benefit public housing residents; provided further that the acceptance of gifts with an estimated value of \$1,000 or more shall be approved or confirmed by the Board of Directors of the Authority;
- (3) Authorize the Authority to use volunteer services; and
- (4) Exempt the Authority from various state laws for the use of volunteer services.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and one individual.

Your Committee finds that projects that assist the Hawaii Public Housing Authority in rehabilitating vacant units need physical labor, electrical wiring, and plumbing. The Hawaii Public Housing Authority is lacking in these areas.

Your Committee further finds that many volunteers come to the Hawaii Public Housing Authority to improve their community by creating projects and rehabilitating vacant units. These projects contribute to positive community relations as well as provide needed housing for individuals.

However, your Committee finds that on many occasions, people and organizations have been turned away from the Hawaii Public Housing Authority due to conflicts with Hawaii's ethics and volunteer services laws. Gifts, such as gallons of paint, maintenance equipment, and lumber, are items that would truly make a difference in the living environment for the tenants rather than personally benefit the Hawaii Public Housing Authority Board or staff.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 82 and recommends that 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 (Kidani).

**SCRep. 37 Human Services on S.B. No. 59**

The purpose and intent of this measure is to increase the monthly board rate distributed by the Department of Human Services for foster care services for children.

Your Committee received testimony in support of this measure from the Department of Human Services; the Hawaii Youth Services Network; Hale Opio Kauai, Inc.; Family Programs Hawaii; and twenty-six individuals.

Your Committee finds that the Department of Human Services has not raised the monthly board rate for foster care services since 1990. The current monthly board rate in Hawaii of \$529 for all children regardless of age is insufficient, due to increased costs for food, housing, utilities, clothing, and other necessities.

Your Committee has heard testimony of the Department of Human Services expressing concerns about the fiscal impact of increasing the monthly board rate for foster care services for children. The Department of Human Services estimates that if the board rate were to be raised by \$75 per month, an additional \$5,298,300 per year in state general funds would need to be appropriated. Your Committee finds that this issue merits further consideration and requests that your Committee on Ways and Means further examine this issue.

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. 59 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 38 Health on S.B. No. 657**

The purpose and intent of this measure is to protect medical service providers, not just emergency medical service providers, from bodily injury in the performance of their duties.

Your Committee received testimony in support of this measure from Kaiser Permanente, Hawaii Medical Association, and one individual.

Your Committee finds that current law provides protection against bodily injury to health care personnel in hospital emergency rooms. This measure will expand the scope of protection beyond hospital emergency rooms to include the entire hospital, medical clinics, and federally qualified health centers.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 657 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. 39 (Majority) Health on S.B. No. 654**

The purpose and intent of this measure is to mandate health insurance coverage for treatments related to the cessation of tobacco use and inform policyholders about the availability of the new coverage.

Your Committee received testimony in support of this measure from the Department of Health, American Heart Association, and Kaiser Permanente. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that cigarette smoking is a significant cause of preventable disease and death in Hawaii. Approximately 176,000 adults in Hawaii report being current smokers. This measure will assist smokers in ending their addiction by improving their access to smoking cessation programs.

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. 654 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 40 Health on S.B. No. 641**

The purpose and intent of this measure is to make an appropriation from general revenues as a grant to the Kahi Mohala Behavioral Health Center for the establishment of an adult psychiatric crisis unit.

Your Committee received testimony in support of this measure from the Healthcare Association of Hawaii, Kahi Mohala Behavioral Health, and Community Alliance for Mental Health.

Your Committee finds that Kahi Mohala Behavioral Health is Hawaii's only free standing, community-based, nonprofit psychiatric hospital. The creation of an adult psychiatric crisis unit and expansion of facilities at Kahi Mohala's Behavioral Health will help address limited capacity for people who are mentally ill, suffering from substance abuse, or are otherwise in need of care or treatment.

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. 641 and recommends that 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. 41 (Joint) Health and Human Services on S.B. No. 199**

The purpose and intent of this measure is to establish a colorectal screening pilot program to increase awareness of colorectal cancer and promote the early detection of colorectal cancer.

Your Committees received testimony in support of this measure from the Hawaii Medical Association and the American Cancer Society Cancer Action Network. Your Committees received testimony in opposition to this measure from the Department of Human Services.

Your Committees find that colorectal cancer is the second leading cancer-related cause of death of men and women in the United States. The colorectal screening pilot program created by this measure will increase awareness of colorectal cancer and increase the chances of detecting colorectal cancer in individuals who are at greater risk for colorectal cancer, thereby improving their chances of survival.

Your Committees have amended this measure by:

- (1) Extending the sunset date of the pilot program to June 30, 2017;
- (2) Making a conforming amendment to extend the Department of Health's reporting requirement; 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 199, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 199, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

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

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 42 (Joint) Health and Human Services on S.B. No. 310**

The purpose and intent of this measure is to reduce hospitalization and incarceration of persons with severe mental illness through the establishment of an assisted community treatment program.

Your Committees received testimony in support of this measure from the Department of Public Safety; State Council on Mental Health; Mental Health America of Hawaii; Institute for Human Services, Inc.; Hawaii Catholic Conference; Helping Hands Hawaii; Hawaii Substance Abuse Coalition; National Alliance on Mental Illness; Institute for Human Services; and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health and one individual. Your Committees received comments on this measure from the Hawaii Disability Rights Center.

Your Committees find that there are serious problems of high incarceration and hospitalization rates of those with severe mental illness. Assisted community treatment provides an opportunity for people with serious mental illness to be treated in the least restrictive setting and reduces the trend toward criminalizing mental illness.

Your Committees have amended this measure by:

- (1) Deleting all references to services provided in correctional facilities, as assisted community treatment is an outpatient program;
- (2) Changing all references from "gravely disabled" to "obviously ill";
- (3) Changing the court ordered commitment period from twenty-four to forty-eight hours; 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. 310, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 310, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

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

Human Services

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

**SCRep. 43 Human Services on S.B. No. 200**

The purpose and intent of this measure is to require licensed social workers to complete a minimum of fifteen credit hours of continuing education courses for the licensing renewal period beginning July 1, 2013, through June 30, 2016, and forty-five credit hours of continuing education courses during each licensing renewal period, for the period beginning July 1, 2016, and thereafter.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawaii State Commission on the Status of Women; Hawaii Psychological Association; Hawaii Youth Services Network; National Association of Social Workers, Hawaii Chapter; National Association of Social Workers, Hawaii Chapter; and thirty-four individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that social workers need to be up-to-date on the latest developments in their field. It is important 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. Your Committee further finds that every state except Colorado and Hawaii has continuing education requirements for social workers. Social workers provide critical services in prevention, intervention, and treatment to a broad spectrum of clientele, including vulnerable women, children, elderly, and families, who are often dealing with challenges such as gender-based violence, access to healthcare and issues around death and dying, and many other issues that intersect with gender in unique ways.

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. 200 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 (Taniguchi).

**SCRep. 44 Human Services on S.B. No. 923**

The purpose and intent of this measure is to appropriate funds as a grant to Network Enterprises, Inc. to establish a maintenance program that provides employment for persons with disabilities, unemployed veterans, public housing residents, and socially and economically disadvantaged people in need of employment.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; Network Enterprises, Inc.; and two individuals.

Your Committee finds that Network Enterprises, Inc. is a non-profit community rehabilitation program that provides vocational rehabilitation, job training, job placement, and support services for persons in Hawaii with physical, social, economic, and intellectual challenges. Network Enterprises, Inc. is requesting funding to be used for the establishment of a maintenance component that will provide temporary and transitional employment and training services for clients. Currently, Network Enterprises, Inc. does not have an in-house transitional component, which is an important and much needed step to competitive employment and self-sufficiency. Your Committee further finds that Network Enterprises, Inc. does not have the resources to establish this program without the help of state funding. This program will go a long way in providing meaningful employment and training for some of Hawaii's neediest 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. 923 and recommends that 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 (Taniguchi).

**SCRep. 45 Human Services on S.B. No. 391**

The purpose and intent of this measure is to:

- (1) Require the Office of Youth Services to coordinate a two-year safe places for youth pilot program, which will coordinate a network of safe places where youth can access safety and obtain advice, guidance, programs, and services; and
- (2) Establish and appropriate funds for the position of safe places for youth program coordinator.

Your Committee received testimony in support of this measure from the Department of Education; Office of Youth Services; Hale Opiu Kauai, Inc.; Community Alliance for Mental Health; Hawaii Youth Services Network; Planned Parenthood of Hawaii; Blueprint for Change; and three individuals.

Your Committee finds that Hawaii is one of the safest and healthiest places in the nation for children and youth. However, many of Hawaii's youth are not immune to daily threats to their health and safety. Every year, youth run away from homes where abuse, neglect, and domestic violence are commonplace, or from schools where intolerable bullying becomes a major barrier to educational achievement. Without access to safe places, youth in these situations are vulnerable and may be victimized by predatory adults who lure them into consuming alcohol, substance abuse, or prostitution.

Your Committee has amended this measure by:

- (1) Including behavioral health counseling and education among the services and programs to be provided by the safe places for youth pilot program; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 391, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 391, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 46 (Joint) Human Services and Health on S.B. No. 52**

The purpose and intent of this measure is to establish and fund a Coordinator for Active Aging within the Executive Office on Aging, who is to be appointed by the Director of the Executive Office on Aging.

Your Committees received testimony in support of this measure from the Executive Office on Aging, Maui County Executive Office on Aging, Policy Advisory Board for Elder Affairs, and International Longshore and Warehouse Union Local 142.

Your Committees find that census projections indicate that the senior population in Hawaii will almost double between 2010 and 2020 with the highest percentage increase occurring in those over the age of eighty-five. In order to minimize the potential financial strain on the State of providing in-home services to elders, proactive efforts are required now. Although the life span of our population is generally increasing, overall healthy living is not necessarily the norm. The aging network has recognized for several years the need to establish a coordinated effort to support seniors in maintaining health for those who remain healthy and in improving health for those exhibiting chronic illness. As the senior population grows, the likelihood that funding can keep pace with increasing numbers of elders is low. Therefore, initiatives must begin now to focus on ways to increase the emphasis on comprehensive and coordinated plans to assist seniors in remaining as physically, mentally, and spiritually healthy as possible.

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. 52 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.  
Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Kidani).  
Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 47 (Joint) Human Services and Health on S.B. No. 400**

The purpose and intent of this measure is to require child care facilities, family child care homes, group child care centers, group child care homes, and infant and toddler child care centers that care for children one year of age or younger to develop, maintain, and implement safe sleep policies to prevent sudden unexpected infant deaths and sudden infant death syndrome.

Your Committees received testimony in support of this measure from Child and Family Service, Malama Family Recover Center, March of Dimes, and seven individuals. Your Committees received testimony in opposition to this measure from the Department of Human Services.

Your Committees find that sudden unexpected infant death is a broad term that refers to the sudden death of an infant less than one year of age where the specific cause of death is not immediately obvious prior to investigation. According to the Centers for Disease Control and Prevention, more than 4,500 sudden unexpected infant deaths occur in the United States every year. The specific cause of death may include but not be limited to sudden infant death syndrome, infection, accidental suffocation, poisoning or overdose, or metabolic disorders. Sudden infant death syndrome, the sudden death of an infant less than one year of age where the death cannot be explained even after a thorough investigation is conducted, accounts for half of the sudden unexpected infant deaths that occur in the United States every year and is the leading cause of death among infants one year of age or younger.

Your Committees further find that sudden unexpected infant deaths and sudden infant death syndrome are preventable through safe sleep policies that address causes of death that are associated with sudden unexpected infant deaths, such as accidental suffocation, and incorporate elements of the Sudden Unexpected Infant Death Initiative. However, Hawaii is one of nine states that do not regulate the proper sleep positions of infants and toddlers under the care of child care centers or family care homes.

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. 400 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.  
Human Services  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).  
Health  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 48 (Joint) Human Services and Health on S.B. No. 515**

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 to the Department of Human Services for matching funds for shelter plus care grants;

- (3) Appropriate funds for a rental assistance program;
- (4) Appropriate funds to the Hawaii Public Housing Authority to continue to administer housing first programs for chronically homeless individuals and to reestablish the homeless prevention and rapid re-housing program;
- (5) Appropriate funds out of the rental housing trust fund for loans or grants for rental housing projects; and
- (6) Appropriate matching funds for the federal shelter plus care program to provide rental assistance in connection with supportive services.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Public Housing Authority, Hawaii Housing Finance and Development Corporation, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Substance Abuse Coalition, Helping Hands Hawaii, Community Alliance for Mental Health, and Catholic Charities Hawaii. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that homelessness continues to be one of the State's most significant and challenging social problems. According to a recent report, 14,200 homeless individuals were served through shelter and outreach programs in fiscal year 2011. Of these individuals, 9,781 resided in the City and County of Honolulu. Homeless service providers estimate that 6,000 homeless people in the State need shelter each night.

Your Committees further find that homelessness is a complex issue that requires continuous resources and coordinated efforts at all levels. Homeless persons face a myriad of issues, including mental illness, substance abuse, loss of employment and income, and lack of affordable housing. Appropriate funding for programs and services tailored to address these issues is essential.

Your Committees also find that housing first programs are a collaborative effort between the Department of Human Services and the United States Department of Housing and Urban Development that provides housing and support services for chronically homeless individuals, including those who have an addiction or mental illness, or both.

Your Committees further find that the housing first programs in the State closely resemble the requirements of the United States Housing and Urban Development shelter plus care program and the Veterans Administration veteran's assisted supportive housing voucher program for homeless veterans. In its December 2011 report to the Legislature pursuant to section 346-378, Hawaii Revised Statutes, the Department of Human Services reported that the State has 650 permanent housing placements plus support services through the shelter plus care and veteran's assisted supportive housing voucher programs.

Your Committees also find that the purpose of the United States Housing and Urban Development's homelessness prevention and rapid re-housing program was to provide economically distressed households and individuals with financial and other assistance to prevent them from becoming homeless and help those who are experiencing homelessness to be quickly re-housed and stabilized. The funds under this program were intended to target individuals and families who would be homeless but for this assistance. The Department of Human Services administered the homelessness prevention and rapid re-housing program to provide homelessness prevention and housing assistance to all eligible individuals and households who apply through contracted organizations. The funds from the program provided for a variety of assistance, including short-term or medium-term rental assistance and housing relocation, and stabilization services, such as mediation, security or utility deposits, utility payments, moving cost assistance, and case management.

Your Committees further find that the shelter plus care program of the United States Department of Housing and Urban Development provides rental assistance in connection with supportive services. The program provides a variety of permanent housing choices, accompanied by a range of supportive services funded through other sources. The program assists hard-to-serve homeless individuals with disabilities and their families. These individuals primarily include those with serious mental illness, chronic problems with alcohol and drugs, and HIV, AIDS, or related diseases.

Your Committees have amended this measure by:

- (1) Changing the source of the appropriation for the rental housing trust fund from general revenues to general obligation bonds;
- (2) Changing the expending agency for the appropriation for the rental assistance program from the Hawaii Public Housing Authority to the Department of Human Services; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 515, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 515, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

Health

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

**SCRep. 49 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 309**

The purpose and intent of this measure is to require health insurance policies and contracts issued after December 31, 2013, to provide coverage for the cost of hearing aids in their base plans.



Your Committees received testimony in support of this measure from the Hawaii Medical Service Association, ILWU Local 142, and two individuals. Your Committees received testimony in opposition to this measure from State Farm Mutual Automobile Insurance Company. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that according to the National Institutes of Health, an estimated one-third of Americans between the ages of sixty-five and seventy-five and around one-half of those older than seventy-five have some degree of hearing loss. In addition, a 2005 study by the Better Hearing Institute estimated that untreated hearing loss resulted in a loss of income per household of up to \$12,000 per year. Your Committees further find that according to the Lions Club, the cost of a custom low- to mid-level analog or digital hearing aid begins around \$2,000 or less, and around \$3,000 and higher for a high-end hearing aid. Medicare and most private insurance companies do not cover the cost of hearing aids through their base health care coverage. As a result, it is not unusual for people with hearing loss to choose not to purchase hearing aids because these expensive devices are not covered by insurance.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 309, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 309, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Kidani).

Commerce and Consumer Protection

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 50 Energy and Environment on S.B. No. 23**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Kaiuli Energy, LLC, in the planning, design, and construction of a seawater air conditioning district cooling facility and chilled water distribution system.

Your Committee received testimony in support of this measure from Ulupono Initiative, Blue Planet Foundation, Hilton Hawaii, High Technology Development Corporation, Makai Ocean Engineering, and Kaiuli Energy, LLC. Your Committee received testimony in opposition to this measure from Life of the Land and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that there is broad support for the development of efficient energy systems in Hawaii. Kaiuli Energy, LLC, proposes to build a seawater air conditioning facility to serve Waikiki and nearby areas on the island of Oahu. Your Committee finds that issuance of special purpose revenue bonds to assist Kaiuli Energy, LLC, in pursuing this project will further the State's interest in developing efficient energy systems in Hawaii.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 23 and recommends that 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. 51 (Majority) Health on S.B. No. 42**

The purpose and intent of this measure is to appropriate funds for the Adult Mental Health Division's Hawaii certified peer specialist program.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health and Hawaii Substance Abuse Coalition. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that certified peer specialists have self-identified as having received or are receiving mental health or co-occurring disorder services in their personal recovery process and therefore perform a unique role in assisting the recovery of other individuals diagnosed with mental illness or co-occurring disorders. Your Committee finds that it is necessary to appropriate funds to support and promote the certified peer specialist program.

Your Committee has amended this measure by inserting an effective date of January 1, 2030, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 42, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 42, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 52 (Majority) Health on S.B. No. 526**

The purpose and intent of this measure is to ensure that victims of sexual assault are provided information about and access to emergency contraception when receiving emergency medical care at Hawaii's hospitals for sexual assaults.

Your Committee received testimony in support of this measure from the Department of Health, Department of Human Services, Hawaii State Commission on the Status of Women, Department of the Prosecuting Attorney for the City and County of Honolulu, Sex

Abuse Treatment Center, American Congress of Obstetricians and Gynecologists, Gay Lesbian Bisexual and Transgender Caucus of the Democratic Party of Hawaii, League of Women Voters, Planned Parenthood of Hawaii, Hawaii Women Lawyers, Hawaii Medical Association, Hawaii Rehabilitation Counseling Association, and seven individuals. Your Committee received testimony in opposition to this measure from the Hawaii Catholic Conference.

Your Committee finds that the physical and emotional trauma suffered by victims is compounded by the possibility of an unwanted pregnancy as a result of the rape. The average rate of pregnancy resulting from rape is between five and eight percent with an estimated thirty-two thousand rape-related pregnancies occurring each year in the United States.

Your Committee further finds that emergency contraception is not an abortion pill, nor does it cause any abortive process to take place; rather, it is a safe and effective means of preventing pregnancy after a sexual assault. The provision of emergency contraception to victims of sexual assault is the most widely recognized and accepted standard of care for sexual assault patients. Accordingly, your Committee finds that victims of sexual assault should be provided information about and access to emergency contraception when receiving emergency medical care at Hawaii's hospitals for sexual assaults.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2030, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 526, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 526, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 53 (Majority Health on S.B. No. 660)**

The purpose and intent of this measure is to appropriate \$10,000,000 for statewide drug and alcohol treatment efforts.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health and the Hawaii Substance Abuse Coalition. Your Committee received comments on this measure from one individual.

Your Committee finds that due to funding cutbacks in prior years, many drug and alcohol treatment centers have closed, leaving a significant number of persons unable to receive affordable treatment for drug and alcohol addictions. Your Committee finds that only 3.9 percent of people who have a drug or alcohol addiction get treatment. Your Committee finds that extensive studies have shown that drug and alcohol treatment saves \$4 in health care costs for every \$1 spent for treatment.

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. 660 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 54 Health on S.B. No. 661**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds for Hawai'i Pacific Health for the construction or renovation of health care facilities.

Your Committee received testimony in support of this measure from Hawai'i Pacific Health and the Healthcare Association of Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the capital raised by this measure will allow the construction and renovation of health care facilities at Kapiolani Medical Center for Women & Children without an appropriation or expenditure of state funds.

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. 661 and recommends that 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. 55 Health on S.B. No. 664**

The purpose and intent of this measure is to provide critical funding for the Hawaii Health Systems Corporation primary care training program to alleviate the shortage of primary care providers in the State.

Your Committee received testimony in support of this measure from the County of Hawaii Office of the Mayor, Hawaii Health Systems Corporation, University of Hawaii School of Nursing and Dental Hygiene, Hilo Medical Center, The Queen's Health Systems, Hilo Medical Center Foundation, Japanese Chamber of Commerce, North Hawaii Community Hospital, Hawaii Island Healthcare Alliance, and ten individuals.

Your Committee finds that the State is facing a severe shortage of healthcare providers. Your Committee further finds that the Hawaii Health Systems Corporation primary care training program is an effective way to reduce the impact of the shortage of primary care providers and improve access to healthcare throughout the State.

Your Committee has amended this measure by:

- (1) Deleting the references to the appropriation as a grant pursuant to chapter 42F, Hawaii Revised Statutes; and
- (2) Changing the expending agency to the Hawaii Health Systems Corporation.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 664, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 664, 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 (Chun Oakland, Slom).

**SCRep. 56 (Joint/Majority) Human Services and Economic Development, Government Operations and Housing and Commerce and Consumer Protection on S.B. No. 1025**

The purpose and intent of this measure is to update the Hula Mae Single Family mortgage loan program to allow for broader program participation by potential homeowners, add downpayment assistance as a program feature, and make housekeeping and conforming amendments.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and Hawaii Association of REALTORS. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Hula Mae Single Family program is a mortgage loan program for families of low and moderate income that was initiated by the Legislature in 1979. The program's intent is to deliver low interest rate mortgage loans to families and individuals who cannot qualify in the conventional market. Your Committees further find that this measure will allow more households to qualify for the loan program, offer downpayment assistance as an optional feature of Hula Mae Single Family program loans, and delete obsolete statutory provisions relating to two inactive programs, the Loans to Lenders and Purchase of Existing Loans programs.

As affirmed by the records of votes of the members of your Committees on Human Services and Economic Development, Government Operations and Housing and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1025 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.

Human Services

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Green, Kidani).

Economic Development, Government Operations and Housing

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 57 (Majority) Judiciary and Labor on S.B. No. 906**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015.

Prior to the hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed S.D. 1 amends this measure by:

- (1) Changing references to collective bargaining unit (9) to collective bargaining unit (3); and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Budget and Finance and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (3) are currently in progress. The proposed S.D. 1 provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further 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. 906, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 906, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 58 (Majority) Judiciary and Labor on S.B. No. 897**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (4) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (4) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 897, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 897, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 59 (Majority) Judiciary and Labor on S.B. No. 899**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (6) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 899, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 899, 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. 60 (Majority) Judiciary and Labor on S.B. No. 902**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (8) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (8) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 902, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 902, 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. 61 (Majority) Judiciary and Labor on S.B. No. 905**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (9) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 905, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 905, 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. 62 (Majority) Judiciary and Labor on S.B. No. 909**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (13) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (13) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 909, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 909, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 63 (Majority) Judiciary and Labor on S.B. No. 904**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee did not receive testimony regarding this measure.

Your Committee finds that the registered professional nurses under collective bargaining unit (9) did not ratify their 2011-2013 collective bargaining agreements. If an arbitration panel decides in favor of the nurses, funds may be necessary to cover any cost adjustments as a result of the arbitration award issued. This measure serves as a legislative vehicle for funds to be appropriated.

Your Committee has amended this measure by:

- (1) Establishing that the funds appropriated by this measure shall apply retroactively to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 904, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 64 (Majority) Judiciary and Labor on S.B. No. 908**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2011-2013.

Your Committee did not receive testimony regarding this measure.

Your Committee finds that the registered professional nurses under collective bargaining unit (9) did not ratify their 2011-2013 collective bargaining agreements. If an arbitration panel decides in favor of the nurses, funds may be necessary to cover any cost adjustments as a result of the arbitration award issued. This measure serves as a legislative vehicle for funds to be appropriated.

Your Committee has amended this measure by:

- (1) Establishing that the funds appropriated or authorized shall apply retroactively to July 1, 2011; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 908, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 908, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 65 (Majority) Judiciary and Labor on S.B. No. 903**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (8) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (8) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 903 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 66 (Majority) Judiciary and Labor on S.B. No. 895**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (2) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (2) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 895, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 895, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 67 (Majority) Judiciary and Labor on S.B. No. 896**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (2) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (2) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 896, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 896, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 68 (Majority) Judiciary and Labor on S.B. No. 910**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts for Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (13) and their excluded counterparts for fiscal biennium 2013-2015.

Prior to the hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The proposed S.D. 1 amends this measure by deleting its contents and inserting language that appropriates funds for fiscal biennium 2013-2015 for collective bargaining cost items for public employees in collective bargaining unit (3) and for employees excluded from collective bargaining that are on the same compensation plans as those officers and employees within collective bargaining unit (3).

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Budget and Finance and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the negotiations for collective bargaining agreements for bargaining unit (3) are currently in progress. The proposed S.D. 1 provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further 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. 910, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 910, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 69 (Majority) Judiciary and Labor on S.B. No. 898**

The purpose and intent of this measure is to provide a vehicle to fund pending public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (4) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (4) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 898, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 898, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 70 (Majority) Judiciary and Labor on S.B. No. 901**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (6) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 901, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 901, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 71 (Majority) Judiciary and Labor on S.B. No. 907**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (9) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 907, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 907, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 72 (Majority) Judiciary and Labor on S.B. No. 911**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments and other cost adjustments for public employees in collective bargaining unit (13) and their excluded counterparts for fiscal biennium 2013-2015.

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 negotiations for collective bargaining agreements for bargaining unit (13) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

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. 911, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 911, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 73 (Joint) Agriculture and Water and Land on S.B. No. 715**

The purpose and intent of this measure is to facilitate leases between the Department of Agriculture and the Agribusiness Development Corporation by:

- (1) Authorizing the Department of Agriculture to directly negotiate and enter into leases with the Agribusiness Development Corporation; and
- (2) Exempting the Agribusiness Development Corporation from non-agricultural park lands lease qualifications.

Your Committees received testimony in support of this measure from the Department of Agriculture and the Agribusiness Development Corporation. Your Committees received testimony in opposition to this measure from Puna Pono Alliance and two individuals.

Your Committees find that facilitating leases between the Department of Agriculture and the Agribusiness Development Corporation will assist in developing the long-term productive use of public lands for agricultural purposes.

Your Committees have amended this measure by:

- (1) Requiring that the leases entered into between the Agribusiness Development Corporation and the Department of Agriculture be approved by the Board 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 Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 715, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 715, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture  
Ayes, 6. Noes, none. Excused, 1 (Slom).

Water and Land  
Ayes, 5. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 74 (Joint) Agriculture and Water and Land on S.B. No. 327**

The purpose and intent of this measure is to establish and codify in the Hawaii State Planning Act a state policy to buy local produce and support local agriculture.

Your Committees received testimony in support of this measure from the Department of Agriculture, Office of Planning, and the Land Use Research Foundation.



Your Committees find that a policy commitment regarding the consumption of locally grown products is critical to improving food security and self-sufficiency in Hawaii. Supporting locally grown food will improve residents' health and increase revenues for struggling local farmers.

By recommendation of the Office of Planning, your Committees have amended this measure by broadening the goal of increasing locally grown food purchases to include increasing purchases by businesses to ensure that the policy commitment to increase locally grown food purchases is targeted to the broadest spectrum of consumers.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 327, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 327, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

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

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 75 (Joint) Agriculture and Water and Land on S.B. No. 1358**

The purpose and intent of this measure is to authorize general obligation bonds to make improvements to the Molokai Irrigation System.

Your Committees received testimony in support of this measure from the Department of Agriculture, Molokai Chamber of Commerce, Molokai Ranch, Monsanto Molokai, Molokai Farm Bureau, Hawaii Farm Bureau Federation, and four individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the Molokai Irrigation System is the only agricultural water source on Molokai and is critical to Molokai's agriculture community and agricultural commerce. The Molokai Irrigation System is currently underutilized and needs repairs to operate at its full capacity to increase the supply of irrigation water. In the past three years, drought conditions have exacerbated the low supply of irrigation water on Molokai and have led to significant water use restrictions that have had a direct economic effect on the Molokai community. In the past three years, ninety jobs have been lost due to the drought's economic impact. Improving the Molokai Irrigation System and increasing the supply of irrigation water would significantly improve the agricultural economy and create an estimated one hundred thirty new jobs on Molokai alone.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1358 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.

Agriculture

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

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 76 (Joint) Human Services and Health on S.B. No. 54**

The purpose and intent of this measure is to allow the Policy Advisory Board for Elder Affairs to grant members lifetime membership, which includes all the rights and privileges of a regular member, upon approval by all regular members of the Board.

Your Committees received testimony in support of this measure from the County of Hawaii Office of Aging and one individual. Your Committees received comments on this measure from the Executive Office on Aging and the International Longshore and Warehouse Union Local 142.

Your Committees find that current lifetime non ex officio members of the Policy Advisory Board for Elder Affairs are not granted all of the privileges of regular membership, including the right to vote. These lifetime members are honored and respected members of the aging community and deserve to be treated as full members of the Board.

Your Committees have amended this measure by:

- (1) Clarifying the procedures of the Policy Advisory Board for Elder Affairs to grant lifetime membership to non ex officio members; 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 Human Services and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 54, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 54, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3. Noes, none. Excused, 2 (Green, Kidani).

Health

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

**SCRep. 77 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 44**

The purpose and intent of this measure is to add the definition of "law enforcement officer" and to change references of "police officer" to "law enforcement officer" in sections of the Hawaii Revised Statutes relating to emergency hospital admission and involuntary hospitalization.

Your Committees received testimony in support of this measure from the Department of Health; Department of Public Safety; Institute for Human Services, Inc.; Community Alliance for Mental Health; and one individual.

Your Committees find that section 334-59, Hawaii Revised Statutes, currently only applies to county police officers and that this measure is necessary to allow all law enforcement officers to utilize section 334-59, Hawaii Revised Statutes. Your Committees further find that advanced practice registered nurses are fully qualified to determine a person's mental health status and whether the person poses a safety risk and should therefore be authorized under section 334-59, Hawaii Revised Statutes, to do so.

Your Committees have amended this measure by:

- (1) Adding advanced practice registered nurse to the list of mental health professionals qualified to diagnose mental illness under section 334-59, Hawaii Revised Statutes; 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 Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 44, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 44, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Health

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 78 (Joint) Agriculture and Water and Land on S.B. No. 995**

The purpose and intent of this measure is to change the position title of the engineering program manager to the engineering program administrator to recognize the increased responsibilities and size of the Agricultural Resource Management Division of the Department of Agriculture.

Your Committees received testimony in support of this measure from the Department of Agriculture, Limtiaco Consulting Group, Hawaii Farm Bureau Federation, and Ulupono Initiative.

Your Committees find that the Agricultural Resource Management Division has significantly grown since the Legislature determined the need for an irrigation water development program. Since this time, the Agricultural Resource Management Division has gone from overseeing \$2,000,000 in projects to overseeing \$100,000,000 in projects and has become the largest land program within the Department of Agriculture. Due to the increased responsibilities and scope of the Agricultural Resource Management Division, changing the engineering program manager position to the engineering program administrator position would bring the position in line with other similar positions within the Department of Agriculture.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 995 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.

Agriculture

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

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ruderman, Slom).

**SCRep. 79 (Majority) Health on S.B. No. 655**

The purpose and intent of this measure is to allow physicians to prescribe medication, without examination, to the partner of a patient who has been diagnosed as having chlamydia or gonorrhea.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii State Commission on the Status of Women, Hawaii Rehabilitation Counseling Association, Hawaii Affiliate of the American College of Nurse Midwives, Hawaii Medical Association, American Congress of Obstetricians and Gynecologists, and six individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that many patients who have been diagnosed with sexually transmitted diseases have sexual partners who refuse to seek treatment. Your Committee finds that thirty-two states already have laws allowing expedited partner therapy, which allows physicians to prescribe medication for partners of a patient diagnosed with sexually transmitted disease without first examining them. Your Committee finds that the practice of expedited partner therapy will greatly reduce the incidence of sexually transmitted diseases in the State.

Your Committee has amended this measure by:

- (1) Changing all references from “partner” to “partners” to allow for multiple prescriptions to be issued to more than one partner of a patient, if medically necessary;
- (2) Amending the definition of “sexually transmitted disease” to mean any sexually transmitted disease recommended by the Centers for Disease Control and Prevention for expedited partner therapy including but not limited to chlamydia, gonorrhea, and human immunodeficiency virus;
- (3) Changing references from “single-dose antibiotic therapy” to “antibiotic therapy” to allow the physician to prescribe what is medically necessary;
- (4) Amending certain specifics to be included on the information sheet, making them subject to the recommendation of the Centers for Disease Control and Prevention; 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. 655, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 655, 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, 1 (Slom). Excused, none.

**SCRep. 80 Health on S.B. No. 498**

The purpose and intent of this measure is to appropriate funds to establish a twenty-four-hour, seven-days-a-week, special emergency medical response vehicle unit to be based in the Maalaea area on Maui, including acquisition of a vehicle, equipment, and personnel costs for twenty-four-hour, seven-days-a-week staffing by a paramedic trained in advanced life support.

Your Committee received testimony in support of this measure from the Department of Health and fifty-two individuals.

Your Committee finds that the population of West and South Maui has significantly increased over the years, which has corresponded with a steady increase of approximately one thousand calls per year for emergency medical services. Your Committee further finds that the population growth and increase in call volume in West and South Maui affect the timely response capabilities of the two ambulances that serve residents in these districts, especially if emergency medical services must respond from an “out-of-district” location. Your Committee also finds that a new special emergency medical response vehicle unit will help reduce death and disability among residents and visitors on the island of Maui by supporting the two existing ambulance units in each of the busiest regions of West and South Maui, as well as by being available to assist Central Maui.

Your Committee has amended this measure by:

- (1) Changing all references from “paramedic trained in advanced life support” to “state licensed paramedic” at the request of the Department of Health; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 498, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 498, 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. 81 Health on S.B. No. 761**

The purpose and intent of this measure is to provide a grant to North Hawaii Community Hospital to address the severe shortage of primary healthcare providers.

Your Committee received testimony in support of this measure from North Hawaii Community Hospital, Hawaii Medical Association, Healthcare Association of Hawaii, and one individual.

Your Committee finds that there is a severe shortage of primary healthcare providers in the State. North Hawaii Community Hospital, a rural community hospital, provides crucial services to meet these needs. However, North Hawaii Community Hospital has recently suffered a \$1,000,000 decrease in funding due to a change in the methodology for determining Medicare reimbursement for low-volume hospitals. Your Committee notes that North Hawaii Community Hospital has indicated it will timely submit a 42F grant application to the appropriate legislative standing committees.

Your Committee has amended this measure by inserting an effective date of January 1, 2030, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 761, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 761, 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 (Chun Oakland, Slom).

**SCRep. 82 Health on S.B. No. 945**

The purpose and intent of this measure is to allow condominium associations and cooperative housing corporations to adopt rules to prohibit smoking in units, common elements, or limited common elements.

Your Committee received testimony in support of this measure from the Coalition for a Tobacco-Free Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii Smokers Alliance and four individuals. Your Committee received comments on this measure from the Hawaii Chapter of the Community Associations Institute.

Your Committee finds that secondhand smoke is dangerous and can be extremely harmful to human health. Your Committee further finds that owners' property rights must be respected.

Your Committee has amended this measure by requiring a majority of tenant shareholders or owners, as appropriate, to approve a smoking prohibition in dwelling units, common elements, or limited common elements before a condominium association or cooperative housing corporation is authorized to adopt any rule prohibiting smoking.

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. 945, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 945, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 83            Transportation and International Affairs on S.B. No. 1213**

The purpose and intent of this measure is to allow the State Department of Transportation Highways Division to collect an equitable compensation from franchise utility companies for the use of the state right of way.

Your Committee received testimony in support of this measure from the Department of Transportation. Testimony in opposition to this measure was received from the Office of the Mayor of the City and County of Honolulu, Department of Budget and Fiscal Services of the City and County of Honolulu, and County of Hawaii Finance Department.

Your Committee finds that franchise utility companies currently pay less than two and one-half percent of their gross receipts to the counties for their use and occupancy of the county road systems. However, the Department of Transportation is responsible for the removal, relocation, replacement, or reconstruction of the franchise utility companies' systems that impact a highway project.

Your Committee has amended this measure by:

- (1) Dividing the public utility franchise tax collected equally between the county and the Department of Transportation Highways Division; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1213, 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 (Dela Cruz, Gabbard, Kouchi, Slom).

**SCRep. 84            Transportation and International Affairs on S.B. No. 479**

The purpose and intent of this measure is to increase the number of members of the Metropolitan Planning Organization Policy Committee from thirteen to fourteen.

Your Committee received testimony in support of this measure from the Department of Transportation; Office of the Mayor of the City and County of Honolulu; Department of Transportation Services of the City and County of Honolulu; and one individual.

According to testimony of the Department of Transportation, the amendment to the composition of the Metropolitan Planning Organization Policy Committee is required by federal law pursuant to Public Law 112-141, the Moving Ahead for Progress in the 21st Century Act.

Your Committee finds that in the coming years, Honolulu's mass transit system will be an integral component of the county's transportation infrastructure. The Executive Director of the Honolulu Authority for Rapid Transportation, or the director of an authority for rapid/mass transportation on any island, will have an important role in contributing to planning and implementation of the Metropolitan Planning Organization's major programs.

Your Committee has amended this measure by clarifying, on the recommendation of the Director of Transportation, that the additional member shall be the director of the authority for rapid/mass transportation, or successor agency thereof, that operates public transportation on that island.

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. 479, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 479, 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 (Dela Cruz, Gabbard, Kouchi, Slom).

**SCRep. 85            Public Safety, Intergovernmental and Military Affairs on S.B. No. 71**

The purpose and intent of this measure is to make an appropriation to the Department of Public Safety to contract with community-based non-profit organizations to provide education, mentoring, restorative circles, farming, artisan skills, cognitive behavioral therapy, and cultural healing services to inmates and former inmates.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Going Home Consortium, Drug Policy Forum of Hawaii, Hawaii Coalition for Health, National Association of Reformed Criminals, and one individual.

Your Committee finds that community-based organizations with an interest in assisting incarcerated persons have been instrumental in providing services and programs on a contractual and voluntary basis to rehabilitate and educate the prison population. Providing rehabilitation and re-entry programs to Hawaii's inmates has lowered recidivism rates, which makes communities safer. Sufficient resources must be invested in community-based non-profit organizations that provide important services to inmates and former inmates.

Your Committee has amended this measure by:

- (1) Replacing the term "cognitive restructuring" with "cognitive behavioral therapy";
- (2) Adding education as a program offered;
- (3) Clarifying that the references to inmates and former inmates mean inmates and former inmates who are under the custody and control of the Department of Public Safety or the Hawaii Paroling Authority; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 71, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 71, 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. 86 Public Safety, Intergovernmental and Military Affairs on S.B. No. 72**

The purpose and intent of this measure is to require the Department of Public Safety to assess and refer inmates to the Hawaii Paroling Authority for possible medical release.

Your Committee received testimony in support of this measure from the Department of Public Safety, Office of the Public Defender, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, and four individuals.

Your Committee finds that compassionate medical release programs for inmates provide relief to prison systems dealing with an increasingly older population subject to more medical issues and higher treatment costs. Releasing inmates who are found to pose no or little risk to public safety could save the State millions of dollars in health care costs, relieve prison overcrowding, and offer a more dignified and humane death to those who would otherwise die in prison.

Under the medical release program proposed by this measure, inmates will be considered for medical release at the request of the Director of Public Safety, inmate, or the inmate's representative, if the inmate meets specified criteria. The Hawaii Paroling Authority is required to grant or deny the request after a hearing, set reasonable conditions on an inmate's medical release, and promptly order an inmate returned to custody to await a revocation hearing if the Hawaii Paroling Authority receives credible information that an inmate has failed to comply with any reasonable conditions of medical release.

Your Committee has amended this measure by:

- (1) Making the medical release program a three-year pilot program;
- (2) Changing the effective date to July 1, 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 72, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 72, 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. 87 Public Safety, Intergovernmental and Military Affairs on S.B. No. 77**

The purpose and intent of this measure is to specify the number of members of the Hawaii Paroling Authority that are required to establish a quorum to allow the Authority to take official action on its matters.

Your Committee received testimony in support of this measure from the Department of Public Safety and Community Alliance on Prisons. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that Act 139, Session Laws of Hawaii 2012, increased the members of the Hawaii Paroling Authority from a chairperson and two part-time members to a chairperson and four part-time members. This section was intended to allow part-time board members to rotate duties, but it does not clearly establish a quorum to effectuate board actions.

Your Committee has amended this measure by deleting the amendments made to section 353-61(b), Hawaii Revised Statutes, and inserting language from S.B. No. 1178 (2013), section 1, which requires the Hawaii Paroling Authority to entitle a prisoner to a hearing before a panel of three of its members, which shall act by a majority, unless a sitting member of that panel must be recused due to a conflict of interest, in which case the panel may proceed with two members.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 77, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 77, S.D. 1, and be 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. 88 (Majority) Public Safety, Intergovernmental and Military Affairs on S.B. No. 506**

The purpose and intent of this measure is to require licensing authorities to consider relevant education, training, or service completed by service members and permits authorities to issue a license by endorsement or reciprocity in certain situations.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, The Chamber of Commerce of Hawaii, State Office of Veterans' Services, Oahu Veterans Center, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Dental Association, Hawaii Association of Public Accountants, and numerous individuals. Your Committee received comments on this measure from the Office of the Deputy Undersecretary of Defense.

Your Committee finds that service members who move to Hawaii with a professional license from another state encounter obstacles to entering the work force. Service members often face delays when applying for a license in Hawaii, even though they may meet requirements through education and training received while on active duty. This measure supports transitioning service members and reflects the desire of the President of the United States in making the employment of military veterans a top priority.

Your Committee has amended this measure by inserting an effective date of July 1, 2020, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 506, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 506, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Green). Excused, 1 (Slom).

**SCRep. 89 Public Safety, Intergovernmental and Military Affairs on S.B. No. 546**

The purpose and intent of this measure is to allow an employee with a family member in the United States Armed Forces who is on active duty or notified of a call to active duty, to use family leave for certain activities for which an employee may take military family leave under federal law.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, State Office of Veterans' Services, Oahu Veterans Council, and theStrategist.

Your Committee finds that the United States asks its service members to be ready to respond to the nation's needs quickly, and there are many processes that must be accomplished prior to departure, including financial arrangements and powers of attorney. This measure ensures that service members' families can make all arrangements necessary when the service member is asked to serve the United States.

Your Committee has amended this measure by providing employers with a mechanism to certify the validity of requests for military family leave.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 546, S.D. 1, and be 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. 90 Public Safety, Intergovernmental and Military Affairs on S.B. No. 551**

The purpose and intent of this measure is to direct the Office of Veterans' Affairs, with the assistance of the Department of Accounting and General Services and the Department of Defense, to develop a plan to establish a memorial honoring the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, State Historic Preservation Division of the Department of Land and Natural Resources, State Office of Veterans' Services, Oahu Veterans Center, and two individuals.

Your Committee finds that the sacrifices of the members of the United States Armed Forces have preserved the freedom and security enjoyed by U.S. citizens. It is fitting and necessary to give visible recognition in the form of a memorial to the contributions of veterans from Hawaii who served in the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn.

Your Committee has amended this measure by broadening the potential site of the memorial from the State Capitol to the historical district of Honolulu, due to concerns regarding the limited space and integrity of the Capitol design.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 551, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 551, 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. 91 Public Safety, Intergovernmental and Military Affairs on S.B. No. 576**

The purpose and intent of this measure is to require a financial and management audit of the Department of Public Safety commissary operations and commissary operations of out-of-state commissaries where Hawaii inmates are confined.

Your Committee received testimony in support of this measure from the Department of Public Safety and Community Alliance on Prisons. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that commissaries at state correctional facilities provide an opportunity for inmates to purchase goods for personal use, but the prices of those goods are higher than those found in public retail stores. This measure requires the Auditor to conduct an audit of the operations of the commissaries to determine if the markups are excessive.

Your Committee has amended this measure by:

- (1) Authorizing only a financial audit of the commissary operations of out-of-state contracted correctional facilities where Hawaii inmates are confined, based on information obtained pursuant to contract, as the Department of Public Safety's contract with out-of-state correctional facilities does not permit a management audit; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 576, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 576, 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. 92 Public Safety, Intergovernmental and Military Affairs on S.B. No. 705**

The purpose and intent of this measure is to offer release on supervised parole to eligible inmates prior to the expiration of their maximum sentence.

Your Committee received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, Crime Victim Compensation Commission, Community Alliance on Prisons, and one individual. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney and The Council of State Governments Justice Center.

Your Committee finds that Hawaii inmates considered at risk for committing new offenses increasingly have been released from prison without any supervision. These offenders tend to recidivate at a higher rate than inmates placed on parole. Communities will benefit if certain offenders are released prior to the expiration of their maximum sentence and supervised for a period of time under post-release programs.

Your Committee has amended this measure by:

- (1) Restoring the repealed section 706-670(5), Hawaii Revised Statutes;
- (2) Requiring a parole hearing to perform a validated risk assessment and determine if an offender qualifies for supervised parole prior to the expiration of a maximum sentence;
- (3) Allowing the Hawaii Paroling Authority the discretion to not grant supervised parole prior to the expiration of a maximum sentence for certain offenders; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 705, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 705, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 93 Public Safety, Intergovernmental and Military Affairs on S.B. No. 74**

The purpose and intent of this measure is to:

- (1) Permit committed persons to create and place for sale approved products and crafts;
- (2) Allocate the proceeds from sales to rehabilitation programs, the crime victim compensation special fund, and the committed person's account; and

- (3) Require the Department of Public Safety to study other states' practices on the making and sale of crafts by inmates and report findings to the Legislature.

Your Committee received testimony in support of this measure from the Department of Public Safety, Crime Victim Compensation Commission, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Drug Policy Forum of Hawaii, and one individual.

Your Committee finds that the development of cost-efficient and effective programs aimed at reducing recidivism help to alleviate overcrowding in Hawaii's prisons and rehabilitate committed persons. This measure will encourage incarcerated persons to develop marketable skills and prepare them for successful reentry into society and the workforce upon their release. Furthermore, this program will help support victim restitution because twenty-five percent of sales will be deposited into the crime victim compensation fund.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 74 and recommends that 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. 94 Public Safety, Intergovernmental and Military Affairs on S.B. No. 204**

The purpose and intent of this measure is to appropriate funds for state programs related to the reintegration of offenders into the general population.

Your Committee received testimony in support of this measure from the Department of Public Safety; Office of Community Services, Department of Labor and Industrial Relations; Community Alliance on Prisons; Hawaii Substance Abuse Coalition; American Civil Liberties Union of Hawaii; Drug Policy Forum of Hawaii; National Association of Reformed Criminals; and one individual.

Your Committee finds that programs specifically designed to assist the offender population in transitioning to the community in a safe, responsible manner are strengthened through partnerships between the Department of Public Safety and private organizations. Providing matching funds for holistic treatment and support services designed to enable participants from the ex-offender population to achieve self-sufficiency are important in supporting the reintegration of offenders into the general population. Funding reintegration programs for related costs such as job training, employment placement, and case management demonstrates Hawaii's commitment to improving outcomes for individuals upon release from prison.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204 and recommends that 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. 95 Public Safety, Intergovernmental and Military Affairs on S.B. No. 210**

The purpose and intent of this measure is to prohibit assessment of a fee for registration of a bicycle or moped that is gifted within ninety days of issuance of the original certificate of registration.

Your Committee received testimony in support of this measure from the Hawaii Bicycling League and one individual.

Your Committee finds that the purchaser of a bicycle or moped signs a registration form at the place of purchase. Under existing laws, the receiver of the gifted bicycle or moped must then re-register the bicycle or moped in the receiver's own name and pay a re-registration fee. This measure allows the gift receiver to reregister the bicycle or moped for no additional cost, thereby removing an unintended double charge in the bicycle registration system.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 96 Public Safety, Intergovernmental and Military Affairs on S.B. No. 540**

The purpose and intent of this measure is to make permanent provisions relating to residency requirements for the burial of Armed Services members and their dependents in veterans cemeteries.

Your Committee received testimony in support of this measure from the State Office of Veterans' Services, Oahu Veterans Council, and three individuals.

Your Committee notes that under this measure, eligible veterans, service members, and their dependents shall continue to be buried in the veterans' cemeteries in the counties of Hawaii, Kauai, and Maui without meeting specific residency requirements. This measure is important to ensure our veterans and military personnel who serve the United States have a local place to rest in peace.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540 and recommends that 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. 97 Public Safety, Intergovernmental and Military Affairs on S.B. No. 541**

The purpose and intent of this measure is to exempt federal veterans' disability benefits from seizure to enforce a court judgment, except for certain child and spousal support cases.

Your Committee received testimony in support of this measure from the Office of Veterans Services, State of Hawaii; Oahu Veterans Council; and two individuals.

Your Committee finds disabled veterans often live on their disability income, which generally falls short of necessary expenses. Veterans' permanent disabilities often do not allow them to pursue gainful or supplemental employment. Providing an exemption for permanently disabled veterans' benefits from seizure by creditors will improve the quality of life for veterans.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 541 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 (Green).

**SCRep. 98 Public Safety, Intergovernmental and Military Affairs on S.B. No. 680**

The purpose and intent of this measure is to enact a homeland security law to establish a state Homeland Security Office within the Department of Defense and authorize the establishment of county organizations for homeland security.

Your Committee received testimony in support of this measure from the Adjutant General, State of Hawaii Department of Defense; Civil Defense Advisory Council; Civil Defense Agency, County of Hawaii; Department of Emergency Management, City and County of Honolulu; Honolulu Police Department, City and County of Honolulu; State Fire Council of the Department of Labor and Industrial Relations, State of Hawaii; Department of Fire and Public Safety, County of Maui; and several individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that state departments and agencies are performing many missions and tasks to combat terrorism and support homeland security requirements without underlying statutory authority or enabling legislation. This measure authorizes the counties to establish organizations for homeland security and requires the State to organize these efforts through the establishment of an office dedicated to providing security and responding to terrorism and other threats.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 680 and recommends that 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. 99 Public Safety, Intergovernmental and Military Affairs on S.B. No. 697**

The purpose and intent of this measure is to extend the term of members of the Aerospace Advisory Committee from two to four years.

Your Committee received testimony in support of this measure from former Governor George Ariyoshi and the Department of Business, Economic Development, and Tourism.

Your Committee finds that extending the terms of service for members of the Aerospace Advisory Committee will enable committee members to establish stronger working relationships and enhance the continuity of discourse among members, as well as reduce the administrative efforts required to maintain appropriate representation on the committee.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 697 and recommends that 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. 100 Public Safety, Intergovernmental and Military Affairs on S.B. No. 965**

The purpose and intent of this measure is to establish qualifications for nonresident military spouses eligible for expedited procedures for professional and vocational licensing by endorsement or reciprocity, and temporary licensing.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and The Chamber of Commerce of Hawaii. Your Committee received comments on this measure from the Office of the Deputy Assistant Secretary of Defense.

Your Committee finds many spouses accompany their service member spouse on military duty assignments. This measure simplifies and expedites the employment of trained, educated, and highly qualified military spouses while establishing requirements for nonresident military spouses to maintain licenses and requires reporting of changes in status or circumstances that may affect licensure.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 965 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 (Galuteria, Green).

**SCRep. 101 Economic Development, Government Operations and Housing on S.B. No. 741**

The purpose and intent of this measure is to limit the prohibition on the sale of lands within the Kakaako Community Development District to those lands situated in the makai portion of the district and to require the Hawaii Community Development Authority to make cost-benefit analyses of the selling and purchasing of certain properties situated within the mauka area of the district.

Your Committee received testimony in support of this measure from the Executive Director of the Hawaii Community Development Authority and Capitol Consultants of Hawaii, LLP.

Your Committee finds that existing law effectively prohibits the selling or assignment of any land within the Kakaako Community Development District, making it difficult for the Authority to fully develop and enhance the value and potential of lands within the district. This measure will enhance the Authority's ability to develop a vibrant community in the mauka portion of the district while still maintaining effective protections against the sale or assignment of such lands. Your Committee also finds that this measure will help identify properties in the mauka area of the district that may better effectuate the development of a vibrant community by being sold or assigned.

Your Committee has amended this measure by:

- (1) Inserting language that more precisely describes the lands within the Kakaako Community Development District that are subject to statutory prohibition against sale or assignment; 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, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, 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 (Baker, Chun Oakland).

**SCRep. 102 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 955**

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 vehicle inspection from two years to three years from the date of purchase.

Your Committees received testimony in support of this measure from the Department of Transportation and EAN Holdings, LLC. Testimony in opposition to this measure was received from Aloha Shell Service and two individuals.

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 two or even three years of purchasing a new car, requiring drivers to obtain a certificate of inspection within two years of purchasing a new car imposes an undue burden on new car drivers and is not in the best interest of the State.

Your Committees have amended this measure by:

- (1) Requiring a certificate of inspection to be obtained once every twenty-four months for all vehicles;
- (2) Clarifying the purpose section accordingly; 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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 955, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 955, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6; Ayes with Reservations (Kahele). Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kouchi).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3; Ayes with Reservations (Galuteria). Noes, none. Excused, 2 (Baker, Green).

**SCRep. 103 Transportation and International Affairs on S.B. No. 1214**

The purpose and intent of this measure is to repeal the Commission on Transportation in the Department of Transportation.

Your committee received testimony in support of this measure from the Department of Transportation. Testimony in opposition to this measure was received from the State Commission on Transportation and one individual.

Your Committee finds that the Commission on Transportation, created in 1961 as an advisory committee to the Department of Transportation, is no longer necessary. The only statutory function of the Commission is to sit in an advisory capacity to the Director of Transportation on matters within the jurisdiction of the Department of Transportation. Repeal of the Commission is intended to streamline the operations of the Department of Transportation without negative impact to the public.

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. 1214 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Espero). Noes, none. Excused, 4 (Dela Cruz, Gabbard, Kouchi, Slom).

**SCRep. 104 Transportation and International Affairs on S.B. No. 914**

The purpose and intent of this measure is to create a new chapter to authorize the Governor to appoint commissioners to administer oaths, take acknowledgments, and proofs of execution outside of the United States in connection with the execution of conveyance documents relating to a timeshare interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within the State.

Your Committee received testimony in support of this measure from Wyndham Vacation Ownership, Starwood Vacation Ownership, Disney Vacation Development, and American Resort Development Association.

Your Committee finds that deeds of timeshare interests in Hawaii timeshare plans must be notarized in order to be recordable. Typically, this is not a problem for deeds signed in Hawaii or in other states; however it can pose a problem in jurisdictions outside of the United States in which notaries public are not common.

This measure would help streamline the process for consumers who are located abroad and wish to purchase a time share property in Hawaii. The Commissioner of Deeds could then take acknowledgments and proofs of execution of the consumer's signature on all necessary paperwork and enable the document to be properly recorded in accordance with Hawaii law.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914 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, 4 (Dela Cruz, Gabbard, Kouchi, Slom).

**SCRep. 105 Human Services on S.B. No. 106**

The purpose and intent of this measure is to:

- (1) Establish and fund a position for an Alzheimer's disease and related dementia services coordinator within the Executive Office on Aging; and
- (2) Appropriate funds for programs and services that support the State's elderly population.

Your Committee received testimony in support of this measure from the Executive Office on Aging, State Council on Developmental Disabilities, County of Hawaii Office on Aging, Maui County Office on Aging, City and County of Honolulu Department of Community Services, PABEA, AARP Hawaii, Westside Service Provider Network, PHOCUSED, Lanakila Pacific, Hawaii Alliance for Retired Americans, Community Alliance for Mental Health, Healthy Aging Partnership, International Longshore and Warehouse Union Local 142 Hawaii, Catholic Charities Hawai'i, Project Dana, and eighty-three individuals.

Your Committee finds that census projections indicate that the senior population in Hawaii will almost double between 2010 and 2020, with the highest percentage increase occurring in those over the age of eighty-five. In order to minimize the potential financial strain of the burgeoning aging population on the State, proactive efforts are required now. Keeping seniors healthy and at home is the most cost-effective manner to address the needs of one of Hawaii's most valuable societal resources. The increasing numbers of the aging population will also mean that the incidence of Alzheimer's disease and related disorders will rise. In order to effectively plan and implement statewide services to seniors and caregivers, coordination at the state level is necessary to maximize resources.

Your Committee further finds that aging and disability resource centers are intended to streamline access to long-term supports and services for older adults, persons with disabilities, and caregivers. The centers are a navigational tool that connects individuals to appropriate long-term care options. On April 16, 2012, the Maui County Office on Aging was the first county in the state to implement the fully functioning aging and disability resource center model. Since then, the Maui County Office on Aging has successfully improved operations through standardization of tools and performance standards, ensured that older adults and persons with disabilities can make informed choices about how to meet their long-term care needs, received a fee-for-service award from federal initiatives, and helped Maui residents keep their loved ones in the community by building programs that support the spirit of 'ohana.

Your Committee also finds that despite these efforts, Hawaii ranks forty-first in ability to access long-term care through an aging and disability resource center. The vision of the Executive Office on Aging is to establish aging and disability resource centers in every community that serve as highly visible and trusted places where people with disabilities of all ages can find information on the full range of long-term support options and can access a single point of entry to public long-term support programs and benefits. The aging and disability resource centers need to be properly resourced and funded to make the centers an effective single point of entry for individuals seeking information on their long-term care options.

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. 106 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 106 (Joint) Human Services and Health on S.B. No. 358**

The purpose and intent of this measure is to require the Department of Health and the Department of Human Services to post on their respective websites reports of all inspections in which a violation was discovered at certain care facilities by January 1, 2015.

Your Committees received testimony in support of this measure from the Department of Health, Executive Office on Aging, State Council on Developmental Disabilities, ILWU Local 142, Policy Advisory Board for Elder Affairs, and twelve individuals. Your Committees received testimony in opposition to this measure from the United Group of Home Operators. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that the Department of Health is responsible for licensing, certifying, and monitoring several types of care facilities. Although the department performs inspections to ensure a standard of quality of these facilities using state monies, the public currently cannot easily access the information contained in the inspection reports. The public would benefit from greater access to information on the quality and conditions of care facilities in Hawaii. At least twenty-seven states already have websites that provide evaluations of care facilities.

Your Committees have heard testimony expressing concerns about how long a violation should stay on the website and whether or not these violations should be archived on the website. Your Committees find that this issue raises a concern that merits further consideration and request that your Committee on Ways and Means further examine this issue raised by the testifiers on this measure.

Your Committees have amended this measure by:

- (1) Removing the applicability of this measure to the Department of Human Services to be consistent with Act 93, Session Laws of Hawaii 2012, which transfers the licensing and certification functions for adult day care centers, community care foster family homes, and the community care case management agencies from the Department of Human Services to the Department of Health effective July 1, 2014;
- (2) Adding adult day care centers and community care foster family homes to the list of state-licensed care facilities for which the Department of Health performs inspections and posts its reports on its website;
- (3) Requiring the Department of Health to include on its website all evaluations, not just those in which a violation is discovered, of all inspections of care facilities; and
- (4) Limiting the posting on the website of a violation report for a care facility to three years, after which the report will be removed from the website.

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. 358, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 358, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Health

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

**SCRep. 107 Economic Development, Government Operations and Housing on S.B. No. 1028**

The purpose and intent of this measure is to require notices of public hearings for:

- (1) An amendment to certain community development rules of the Hawaii Community Development Authority to be published statewide; and
- (2) The acceptance of a developer's proposal to develop lands under the Authority's control to be published county-wide in the affected county.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and the Executive Director of the Hawaii Community Development Authority.

Your Committee finds that there is ambiguity in existing statute regarding the type of publication in which the Hawaii Community Development Authority must publish public notice of its decision-making hearings. This measure allows the Hawaii Community Development Authority to publish notice of its decision-making hearings in an efficient manner that ensures sufficient notice to the proper audiences.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1028 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 (Baker, Chun Oakland).

**SCRep. 108 Human Services on S.B. No. 306**

The purpose and intent of this measure is to extend the termination date of the Medicaid buy-in task force to June 30, 2014, and require submission of an interim and final report by the task force.

Your Committee received testimony in support of this measure from the Department of Human Services, State Council on Developmental Disabilities, Community Alliance for Mental Health, and one individual.

Your Committee finds that the community is concerned that as Medicaid recipients become employed, their increased income would make them ineligible for Medicaid. Two major issues for Medicaid recipients becoming gainfully employed are affordability of individual health insurance policies and coverage of certain benefits, specifically specialized behavioral health services and home- and community-based services.

Your Committee further finds that the Patient Protection and Affordable Care Act creates a new avenue for individuals to access affordable health insurance, which is subsidized based on income. The amount of premiums paid for qualified health plans purchased through the health insurance exchange is expected to be less than premiums paid in the majority of Medicaid buy-in programs. However, individuals covered by Medicaid are not eligible for federal subsidies through the health insurance exchange, and determination of eligibility for Medicare does not consider need-based criteria.

Your Committee also finds that certain benefits are not included in the qualified health plan's benchmark benefit package or covered by Medicare. Disabled individuals have communicated that the benefits of greatest concern are specialized behavioral health services for individuals with a serious mental illness and home- and community-based services for individuals who need a nursing facility level of care. Therefore, the goal is to provide affordable access to these services while maximizing federal funding.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 306, 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 (Taniguchi).

**SCRep. 109 Human Services on S.B. No. 1102**

The purpose and intent of this measure is to make an emergency appropriation of \$43,000,000 for fiscal year 2012-2013 out of the hospital sustainability program special fund to be used in accordance with the purposes of the hospital sustainability program special fund, including the reimbursement of monies advanced in fiscal year 2012-2013 from the health care payments program.

Your Committee received testimony in support of this measure from the Department of Human Services.

Your Committee finds that the hospital sustainability program was established through Act 217, Session Laws of Hawaii 2012. The program allows the Department of Human Services to assess fees on hospitals and utilize the monies received to draw down federal dollars for supplemental payments to hospitals in order to help offset their uncompensated care.

Your Committee further finds that the Department of Human Services has used monies out of Medicaid's health care payments program to make the supplemental payments so that payments to the private hospitals would not be delayed. Without the authorization to expend monies out of the hospital sustainability program special fund, the Department Human Services will not be able to continue making supplemental payments to hospitals and will face a shortfall for the monies it advanced in good faith and in the spirit of the intent of Act 217, Session Laws of Hawaii 2012.

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. 1102 and recommends that 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 (Taniguchi, Slom).

**SCRep. 110 Human Services on S.B. No. 1103**

The purpose and intent of this measure is to make an emergency appropriation of \$12,000,000 for fiscal year 2012-2013 out of the nursing facility sustainability program special fund to be used in accordance with the purposes of the nursing facility sustainability program special fund, including the reimbursement of monies advanced for those purposes in fiscal year 2012-2013 from the health care payments program.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Long Term Care Association, and Healthcare Association of Hawaii.

Your Committee finds that the nursing facility sustainability program was established through Act 156, Session Laws of Hawaii 2012. The program allows the Department of Human Services to assess fees on nursing facilities and utilize monies received to draw down federal dollars for supplemental payments to the nursing facilities to help offset their uncompensated care.

Your Committee further finds that the Department of Human Services has used monies out of Medicaid's health care payments program to make the supplemental payments so that payments to nursing facilities would not be delayed. Without the authorization to expend monies out of the nursing facility sustainability program special fund, the Department of Human Services will not be able to continue making supplemental payments to nursing facilities and will face a shortfall for the monies it advanced in good faith and in the spirit of the intent of Act 156, Session Laws of Hawaii 2012.

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. 1103 and recommends that 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 (Taniguchi, Slom).

**SCRep. 111 Human Services on S.B. No. 1100**

The purpose and intent of this measure is to allow the Department of Human Services to draw from other funds appropriated to the Department to make general assistance benefits payments.

Your Committee received testimony in support of this measure from the Department of Human Services, Legal Aid Society of Hawaii, and two individuals.

Your Committee finds that general assistance is a program that provides financial assistance to disabled adults without children. The limited assistance that the program provides can be critical to helping a disabled adult maintain housing or get access to basic necessities. General assistance also provides a critical bridge for disabled adults who are seeking Social Security disability assistance. Upon award of Social Security assistance, the State is repaid for the general assistance paid to the disabled adult.

Your Committee further finds that because general assistance is a block grant, assistance levels are determined based on the number of people in the community needing assistance. As these numbers rise, the assistance amount is reduced. The amount set for this year was \$319 per month; however, it will be reduced to \$298 per month effective February 1, 2013, because of the caseload. The general assistance program is the safety net for many individuals. Without it, far more people would be facing homelessness without critical assistance to get themselves back on their feet.

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. 1100 and recommends that 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 (Taniguchi, Slom).

**SCRep. 112 Transportation and International Affairs on S.B. No. 1209**

The purpose and intent of this measure is to:

- (1) Clarify the types of vending activities that are prohibited on state highways; and
- (2) Authorize the Director of Transportation to issue a written permit authorizing an applicant to vend in the airspace above a highway.

Your Committee received testimony in support of this measure from the Department of Transportation.

Your Committee finds that the amendments proposed by this measure to section 264-101(a), Hawaii Revised Statutes, go too far and could possibly interfere with the selling of articles and food along the highways, streets, and roads of the State, especially on the neighbor islands where it is typical for vendors to regularly sell food and crafts along streets and roads.

Your Committee has been informed by the Department of Transportation that the amendments proposed by this measure to section 264-101(b), Hawaii Revised Statutes, are intended to address the peculiar situation of the United States post office station situated under Lunalilo Freeway in Makiki. Apparently federal law prohibits such vending in the airspace under the Lunalilo Freeway unless a state permit is issued.

Your Committee has amended this measure by deleting all amendments to section 264-101(a), Hawaii Revised Statutes, leaving that subsection unamended.

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. 1209, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1209, 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, 4 (Dela Cruz, Gabbard, Kouchi, Slom).

**SCRep. 113 (Majority) Energy and the Environment on S.B. No. 1131**

The purpose and intent of this measure is to establish a tiered glass advanced disposal fee system based on the capacity of a glass container.

Your Committee received testimony in support of this measure from the Department of Health; Department of Environmental Services; Conservation Council of Hawaii; Sierra Club, Hawaii Chapter; and Zero Waste Kauai. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association, Retail Merchants of Hawaii, Tax Foundation of Hawaii, Distilled Spirits Council of the United States, Wine Institute, and The Legislative Center.

Your Committee finds that the glass advance disposal fee program was created as a state program in 1994. Under the program, the Department of Health collects a fee of 1.5 cents per container from the distributors of non-deposit glass containers sold in the State. The majority of the funds are passed to the counties in amounts proportional to population for the operation of glass buyback programs.

Your Committee further finds that glass recycling lags behind other materials because of its lower material value and the fact that its higher density leads to higher shipping costs. In an effort to increase glass recycling volumes, the City and County of Honolulu increased its payout rate in fiscal year 2011-2012. The higher subsidy rate had the intended effect of increasing the amount of glass collected, due in part to the increased availability of glass recycling opportunities for the general public. For the majority of the program's existence, collections have focused nearly exclusively on the commercial sector. However, the higher payout rate encouraged recyclers to begin offering collection to the general public. The increased collections forced the City and County of Honolulu to reduce the payout rate mid-year so that funds could last the duration of the fiscal year. Without sufficient funding support for non-deposit containers through a subsidy program, the opportunities for glass recycling are very limited.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1131, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1131, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 114 Energy and the Environment on S.B. No. 1130**

The purpose and intent of this measure is to restore the exemption from the central services fee assessment for the deposit beverage container deposit special fund.

Your Committee received testimony in support of this measure from the Department of Health; Conservation Council for Hawaii; Hawaii Food Industry Association; and Sierra Club, Hawaii Chapter.

Your Committee finds that when creating the deposit beverage container program, the Legislature provided an exemption from the Department of Accounting and General Services central services fee for the deposit beverage container's special fund. The central services fee is assessed on special funds administered by the Department of Accounting and General Services. The exemption for the deposit beverage container program was repealed by the Legislature in 2009.

Your Committee further finds that the central services fee should not be applied to the deposit revenues, as they are designated for redemptions to consumers. The bulk of the deposit beverage container program's revenue comes from deposits it collects on new beverage containers. These deposits are maintained in the program's account until they are paid out to consumers when used containers are redeemed. Your Committee also finds that annual central services fee assessments range from \$2,500,000 to \$3,000,000 and have been a significant drain on the program's reserve fund. Statute allows raising the 1 cent container fee to 1.5 cents when the redemption rate reaches seventy percent. The Department of Health deferred this increase four times since the redemption rate reached seventy percent in 2008, as the Department was able to operate the program on reserve funds. However, as fiscal year 2013-2014 projections indicate a negative fund balance, the program is forced to increase the container fee.

Your Committee has amended this measure by:

- (1) Adding a clause in the effective date to ensure that the exemption from the central services fee assessment for the deposit beverage container deposit special fund is not repealed on June 30, 2015, as a result of Act 79, Session Laws of Hawaii 2009; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1130, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1130, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 115 (Majority) Energy and the Environment on S.B. No. 1133**

The purpose and intent of this measure is to remove the exemption for dietary supplements from the deposit beverage container program.

Your Committee received testimony in support of this measure from the Department of Health; Conservation Council of Hawaii; Sierra Club, Hawaii Chapter; and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association.

Your Committee finds that along with milk, drugs, medical foods, and infant formula, dietary supplements have been excluded from the deposit beverage container program. Hawaii statute cites federal Food and Drug Administration regulations in defining "dietary supplement". However, the Food and Drug Administration does not vigorously regulate the dietary supplement industry. This approach gives manufacturers nearly free reign to unilaterally define a product as a dietary supplement or not.

Your Committee further finds that the ambiguity of regulations for dietary supplements makes it difficult for the deposit beverage container program to make consistent eligibility determinations on potential dietary supplements for Hawaii's program. These difficulties are frustrating to the deposit beverage container program and beverage distributors because of the disproportionate time and effort involved in making a proper determination. Deleting the "dietary supplement" exemption will facilitate more consistent eligibility determinations.

Your Committee expresses concerns about dietary supplements in containers of one fluid ounce or less and whether those containers can be in compliance. Your Committee finds that this concern merits further consideration and requests that your Committee on Ways and Means further examine this issue.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 116 Energy and the Environment on S.B. No. 1280**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Kona SWAC, LLC, in constructing part of a seawater air conditioning district cooling system.

Your Committee received testimony in support of this measure from the Blue Planet Foundation and Kona SWAC, LLC. Your Committee received testimony in opposition to this measure from Life of the Land and one individual. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that air conditioning is a voracious consumer of electricity. On Oahu, the cooling of commercial buildings year-round is responsible for about twenty percent of the island's electricity demand. The percentage of electricity devoted to cooling is even higher in resort areas. Kona SWAC, LLC, seeks to develop a seawater air conditioning solution for Kona that precludes the need to cool water with electricity, which stands to save substantial amounts of electricity annually.

Your Committee further finds that the Keahole Airport Terminal Modernization Program's environmental assessment already includes plans for a seawater air conditioning system connecting to the Natural Energy Laboratory of Hawaii Authority pipeline to service the airport terminal and the Ellison S. Onizuka Space Center. Future growth of the seawater air conditioning system beyond the Keahole Airport would potentially include the University of Hawaii Center West Hawaii campus, planned mixed-use developments along Queen Kaahumanu Highway, and existing industrial parks.

Your Committee has heard the testimony of the Department of Budget and Finance and recommends that Kona SWAC, LLC, submit to your Committee, no later than April 12, 2013, letters from the Department of Business, Economic Development, and Tourism and Department of Budget and Finance stating that each department has received and reviewed Kona SWAC's business plan without rendering an opinion.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1280, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1280, 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. 117 Commerce and Consumer Protection on S.B. No. 120**

The purpose and intent of this measure is to amend the law relating to public utilities.

Your Committee has amended this measure by deleting its contents and replacing it with language that authorizes the Public Utilities Commission to establish a policy to implement economic incentives and cost recovery regulatory mechanisms to induce and accelerate electric utilities' cost reduction efforts, encourage greater utilization of renewable energy, accelerate the retirement of utility fossil generation, and increase investments to modernize the State's electrical grids.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, as amended herein, and recommends that it be recommitted to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.B. No. 120, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 118 Education on S.B. No. 242**

The purpose and intent of this measure is to require that the compensation of vice principals of adult and community education schools be payable over a twelve-month period without proration.

Your Committee received testimony in support of this measure from McKinley Community School for Adults, Hawai'i Educational Policy Center, and four individuals. Your Committee received testimony in opposition to this measure from the Department of Education and one individual.

Your Committee finds that adult and community education schools, like multi-track schools, operate during the entire year on a trimester system. This measure will allow vice principals of adult and community education schools to be compensated for the administrative responsibilities and duties they are currently performing over a twelve-month period, including the supervision of twelve-month staff assigned at each campus, and serving as their schools' academic officers in the administration of tests.

While your Committee understands the concerns raised by the Department of Education pertaining to the equal treatment of all public employees within a collective bargaining unit, as this measure moves forward, your Committee encourages the Department to continue working with the Department of the Attorney General to address those concerns. It is the hope of your Committee that both short- and long-term staffing strategies can be identified to support the adult and community education schools, which are clearly unique within the public education system and serve students year-round.

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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 242, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 119 Education on S.B. No. 458**

The purpose and intent of this measure is to:

- (1) Remove the requirement that general excise tax revenues be deposited into the state educational facilities improvement special fund;
- (2) Limit expenditures from the state educational facilities improvement special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2014;
- (3) Limit lease payments required by financing agreements paid from the state educational facilities improvement special fund to lease payments required by financing agreements entered into prior to July 1, 2013; and
- (4) Repeal the state educational facilities improvement special fund on July 1, 2023.

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 capitalized through general obligation bond revenue.

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 making 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. 458, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 458, 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 (Shimabukuro).

**SCRep. 120 (Joint) Education and Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 243**

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 Education. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the Hawaii 3Ts school technology laboratories fund may be more appropriately placed within the Department of Business, Economic Development, and Tourism, rather than the Department of Education.

Your Committees note that as this measure moves forward, the Committee on Ways and Means may wish to look into the possibility of placing the Hawaii 3Ts school technology laboratories fund under the authority of the Hawaii Technology Development Corporation, rather than the Economic Development Alliance of Hawaii, Inc., because the Hawaii Technology Development Corporation may be a more appropriate fit for the Hawaii 3Ts school technology laboratories fund and is currently administratively attached to the Department of Business, Economic Development, and Tourism.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 243 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.

Education  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Ruderman).

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, English).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 121 Public Safety, Intergovernmental and Military Affairs on S.B. No. 892**

The purpose and intent of this measure is to expand the offenses of assault against a law enforcement officer in the first and second degrees to include assaults against firefighters and water safety officers.

Your Committee received testimony in support of this measure from the Hawaii Fire Fighters Association and the Hawaii Bicycling League.

Your Committee finds that there have been reported incidents of assaults against fire fighters and water safety officers, who are often first responders. This measure provides fire fighters and water safety officers with an additional measure of protection in the line of duty.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 892 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 122 Public Safety, Intergovernmental and Military Affairs on S.B. No. 791**

The purpose and intent of this measure is to provide an income tax exemption for military service members on active duty who are serving outside the State pursuant to military orders.

Your Committee received testimony in support of this measure from the Department of Taxation, Oahu Veterans Center, and three individuals. Your Committee received comments on this measure from the Department of the Attorney General and Tax Foundation of Hawaii.

Your Committee finds that this measure helps to alleviate the financial hardships encountered by service members and their dependents when the service members are called to serve their country, often far away from their homes and families.

Your Committee has amended this measure by:

- (1) Deleting the word "resident" so that the measure treats resident and non-resident service members the same, thereby avoiding a possible constitutional challenge; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 791, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 791, 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. 123 Ways and Means on S.B. No. 188**

The purpose and intent of this measure is to amend the law relating to taxation.

Your Committee has amended this measure by inserting language to curtail tobacco use among adolescents and young adults and increase state tax revenue as a result of in-state cigar sales by:

- (1) Adding a new definition of "premium cigar" and repealing the definition of "large cigar;" and
- (2) Increasing the tax rate on sales of certain tobacco products.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 188, as amended herein, and recommends that it be recommitted to the Committee on Ways and Means, in the form attached hereto as S.B. No. 188, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Chun Oakland, Dela Cruz).

**SCRep. 124 Commerce and Consumer Protection on S.B. No. 328**

The purpose and intent of this measure is to:

- (1) Permit a landlord to hold a tenant's security deposit for the purpose of paying for damages caused by an animal residing in the premises pursuant to the rental agreement; and
- (2) Authorize a landlord, as a condition of a rental agreement, to add to the security deposit an amount for an animal to reside in the premises pursuant to the rental agreement.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society, West Hawaii Humane Society, Hawai'i Association of REALTORS, Equine 808 Horse Rescue, and twenty-five individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Hawai'i Civil Rights Commission and the Disability and Communication Access Board.

Your Committee finds that the current landlord-tenant code permits a landlord to collect a security deposit in an amount not to exceed one month's rent. Because of the current limit on security deposits, many landlords refuse to rent to pet owners. Your

Committee further finds that this measure would permit the use of pet deposits in rental agreements, thus ensuring that landlords will be compensated for any damage done to a rental unit by a pet animal. In addition to addressing potential financial concerns of landlords related to pet animals in rental units, this measure will also permit more pet-friendly rental opportunities.

Your Committee additionally finds that federal and state fair housing laws require landlords and other housing providers to provide reasonable accommodations for a person with a disability, including the use of an assistance animal. Assistance animals are not pets; rather they are animals that work, perform tasks, or provide assistance or support for the benefit of a person with a disability. Because landlords are not permitted to require a fee or security deposit as a condition of allowing a tenant to keep an assistance animal, an amendment to this measure is necessary.

Your Committee notes that rental agreement forms need time to be updated in conformance with the requirements of this measure, therefore an amendment to the effective date of this measure is also necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the amendments related to security deposits permitted by this measure are for pet animals;
- (2) Clarifying that no landlord shall require a security deposit for an assistance animal that is a reasonable accommodation for a tenant with a disability; and
- (3) Inserting a provision into the effective date of this measure to specify that section 1 of this measure shall apply to all rental agreements entered into on or after November 1, 2013.

As affirmed by the record of votes of the members of 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. 328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 328, 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, Taniguchi, Slom).

**SCRep. 125 Public Safety, Intergovernmental and Military Affairs on S.B. No. 839**

The purpose and intent of this measure is to:

- (1) Amend the reporting deadline for annual police department reports regarding incidents of misconduct of police officers and specify that the reporting period is January 1 to December 31 of the previous year; and
- (2) Require the annual police department reports to include descriptions of each incident of police misconduct reported.

Your Committee received testimony in support of this measure from Media Council Hawaii and the Society of Professional Journalists, Hawaii Chapter.

Your Committee finds that the detailed disclosure of police misconduct reports to the Legislature increases government transparency and accountability for members of Hawaii's police forces. Furthermore, delaying the reporting deadline to January 31 of each year and specifying a reporting period of January 1 to December 31 of the previous year should ensure that annual reports do not leave out information on incidents that occurred during the month of December.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 839 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 (Green).

**SCRep. 126 Ways and Means on H.B. No. 26**

The purpose and intent of this measure is to appropriate funds to provide for the expenses of the legislative branch of the State.

Specifically, this measure appropriates funds for the House of Representatives, the Senate, and the legislative service agencies comprising the Auditor, the Legislative Reference Bureau, the Ombudsman, and the State Ethics Commission.

Your Committee received testimony in support of this measure from the Auditor, the State Ethics Commission, the Ombudsman, and a concerned citizen. Your Committee received comments on this measure from the Legislative Reference Bureau.

Your Committee finds that the appropriations made under this measure reflect fiscally prudent amounts that are necessary to defray the expenses of the Legislature and the legislative service agencies for the 2013-2014 fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 26, 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, 12. Noes, none. Excused, 1 (Kahele).

**SCRep. 127 Human Services on S.B. No. 1116**

The purpose and intent of this measure is to expand the definition of "public housing project", "housing project", or "complex" to include all potential properties that could be managed by a public housing agency under United States Department of Housing and Urban Development regulations.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Public Housing Authority, and Community Alliance for Mental Health.

Your Committee finds that current state law uses an inaccurate and overly limiting definition of the term “public housing project” for the purposes of the federal low-income public housing program. Under the United States Department of Housing and Urban Development regulations, public housing agencies are authorized to administer a variety of federally assisted housing beyond simply “public housing”. Since the Hawaii Public Housing Authority is the only public housing agency in Hawaii, the definition of public housing should correspond to the Department of Housing and Urban Development’s definition of housing to enable the Authority to administer any of the housing programs that fall under that definition.

Your Committee further finds that current state law uses the term “federal low-rent public housing program”, which does not accurately reflect the program as being income-based. The term “low-income public housing” is based on the Department of Housing and Urban Development income limits and not controlled rents. By linking the statutory definition to the Department of Housing and Urban Development rule, any expansion or addition of federally assisted housing options to the Department of Housing and Urban Development rule would be incorporated into the Hawaii Public Housing Authority’s program administration.

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. 1116, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1116, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 128 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 939**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to process terminations of tenancy or evictions from the federal low-income public housing program pursuant to the residential landlord-tenant code rather than by providing a grievance hearing, when permitted by the federal government.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority. Your Committees received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii.

Your Committees find that state law requires the Hawaii Public Housing Authority to provide a grievance hearing in all eviction actions involving the Authority’s federal low-income housing program. This requirement is generally consistent with the United States Department of Housing and Urban Development regulations, although federal regulations provide exceptions that permit proceeding with the eviction directly in certain limited circumstances. Your Committees further find that there have been numerous occasions where tenants have committed criminal acts that have put the health, safety, and lives of other tenants and non-tenants at risk. Domestic violence, including the use of guns, has occurred multiple times at the Authority’s asset management projects. The Authority believes that these, and other serious criminal actions, do not need grievance hearings when executing eviction actions.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 939 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.  
  
Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Kidani).  
  
Commerce and Consumer Protection  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 129 Human Services on S.B. No. 944**

The purpose and intent of this measure is to prohibit the possession of open intoxicating liquor containers on any common area of a public housing project.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that state law prohibits the consumption of intoxicating liquors on public sidewalks, including any sidewalk within a public housing project as defined in sections 356D-1 and 356D-91, Hawaii Revised Statutes, and in common areas of public housing projects. However, this prohibition can be difficult to enforce since it is limited by the word “consumption”, requiring that either a police officer visibly observe a perpetrator in the action of imbibing intoxicating liquor or a witness be willing to testify to visibly observing a perpetrator in the action of imbibing intoxicating liquor. By broadening the prohibition to possession of open intoxicating liquor containers, the requirement of physically observing a perpetrator in the act of imbibing in order to support prosecution is removed, making violations easier to report and enforce.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 944 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 (Taniguchi, Slom).

**SCRep. 130 Health on S.B. No. 137**

The purpose and intent of this measure is to amend the law relating to health.

Your Committee has amended this measure by deleting its contents and replacing it with language that appropriates an unspecified amount of money to the Department of Health for the establishment of one full-time equivalent permanent position in the Department of Health to facilitate licensing of home care agencies.

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. 137, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 137, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 131 Health on S.B. No. 138**

The purpose and intent of this measure is to amend the law relating to health.

Your Committee has amended this measure by deleting its contents and replacing it with language that authorizes the issuance of general obligation bonds and appropriates funds for the planning, design, and construction of a new health care facility for the Kaheleaulani Native Hawaiian health program in north Hawaii.

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. 138, as amended herein, and recommends that it be recommitted to the Committee on Health, in the form attached hereto as S.B. No. 138, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

**SCRep. 132 (Joint) Education and Judiciary and Labor on S.B. No. 1084**

The purpose and intent of this measure is to propose an amendment to article X, section 1, of the Hawaii State Constitution to permit the appropriation of public funds for private early childhood education programs to help the State meet its goal of providing an early education system for the children of Hawaii.

Your Committees received testimony in support of this measure from the Governor, Department of Human Services, Department of Education, Department of the Attorney General, Department of Health, Department of the Prosecuting Attorney of the City and County of Honolulu, Child & Family Service, Hawai'i Association for the Education of Young Children, Kamehameha Schools, Chaminade University of Honolulu, Hawaii Business Roundtable Incorporated, IMUAlliance, Community Children's Council of Hawaii, Hawaii State Parent Teacher Student Association, Special Education Advisory Council, Harold K.L. Castle Foundation, Hawaii Association of Independent Schools, and three individuals. Your Committees received testimony in opposition to this measure from the Hawaii State Teachers Association, League of Women Voters of Hawaii, and two individuals. Your Committees received comments on this measure from the Good Beginnings Alliance.

Your Committees find that high quality early learning programs that are affordable and accessible for all children are critically important for ensuring the success of Hawaii's keiki. In addition, significant, long-term benefits realized through investments in high-quality, early learning systems have been proven through decades of research. Hawaii is one of only eleven states that does not publicly fund early education.

Your Committees recognize the need to form public-private partnerships to provide Hawaii's keiki with high-quality early childhood education. This measure will authorize the implementation of S.B. No. 1095, S.D. 1 (2013) to allow the Office on Early Learning to contract with private early learning education programs, which have been the primary providers for early education in our State. This program will assist more children in establishing a solid foundation for success in school and life.

Your Committees note that the Department of the Attorney General has affirmed that this measure gives the Legislature the power to determine, by law, the requirements the State may place on private early learning education programs who participate in the State's early education system to ensure that all state laws are followed.

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. 1084 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.

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

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 133 (Majority) Education on S.B. No. 1095**

The purpose and intent of this measure is to implement an amendment to article X, section 1, of the Hawaii State Constitution, upon its ratification, permitting the appropriation of public funds for private early childhood education programs by establishing a statewide early learning childhood education consisting providers of high-quality early childhood education.

Your Committee received testimony in support of this measure from the Governor; Department of Education; Department of Human Services; Department of the Attorney General; Department of Health; University of Hawai'i System; Hawaii Teacher Standards Board; KCAA Preschools of Hawai'i; Imua Family Services; Child & Family Service; Parents and Children Together; Good Beginnings Alliance; Community Children's Council of Hawaii; Hawaii State Parent Teacher Student Association; Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled; Hawaii Business Roundtable; Kamehameha Schools; Hawai'i Association for the Education of Young Children; Westside Service Provider Network; Hui for Excellence in Education; Hawaii Association of Independent Schools; Chaminade University of Honolulu; and twenty-nine individuals. Your Committee received testimony in opposition to this measure from three individuals.

Your Committee finds that high quality early learning programs that are affordable and accessible for all children are critically important for ensuring the success of Hawaii's keiki. In addition, significant, long-term benefits realized through investments in high-quality, early learning systems have been proven through decades of research. Hawaii is one of only eleven states that does not publicly fund early education.

Your Committee recognizes the need to form public-private partnerships to provide Hawaii's keiki with high-quality early childhood education. This measure, which will be implemented upon the ratification of an amendment to article X, section 1, of the Hawaii State Constitution, will allow the Office on Early Learning to contract with private early learning education programs, which have been the mainstay providers for early education in our State. This program will assist more children in establishing a solid foundation for success in school and life.

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

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1095, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1095, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 134 Commerce and Consumer Protection on S.B. No. 214**

The purpose and intent of this measure is to authorize the Director of Finance to provide location efficient mortgage loans to purchasers of residential premises in urban districts.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Hawaii Housing Finance and Development Corporation currently issues mortgage revenue bonds to administer the Hula Mae program. Your Committee further finds that because the Hawaii Housing Finance and Development Corporation currently works with local lending institutions for their Hula Mae program, it would be more appropriate to have the Hawaii Housing Finance and Development Corporation, rather than the Director of Finance, administer the location efficient mortgage loan program.

Accordingly, your Committee has amended this measure by:

- (1) Establishing the location efficient mortgage loan program as a new part in chapter 201H, Hawaii Revised Statutes, rather than chapter 207, Hawaii Revised Statutes, and making conforming amendments; 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. 214, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 214, 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 (Galuteria, Solomon, Taniguchi).

**SCRep. 135 Commerce and Consumer Protection on S.B. No. 1070**

The purpose and intent of this measure is to:

- (1) Authorize the Commissioner of Financial Institutions to conduct examinations and investigations; and
- (2) Adjust fees for mortgage servicer licensees registering through the NMLS system used by the Division of Financial Institutions.

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 the need for meaningful mortgage servicer oversight is evident from the failure of the country's mortgage loan systems and the 2012 National Mortgage Settlement, a landmark \$25,000,000,000 joint federal-state agreement with the nation's five largest mortgage servicers over foreclosure fraud and abuses. As a result of these events, there has been a reevaluation of

laws at the state and federal government levels in an effort to address breakdowns in the mortgage service industry and better protect consumers.

Your Committee further finds that although eighty-eight percent of Hawaii mortgage loans are paid on time, the other twelve percent are considered delinquent. Because homes are at stake, it is imperative for the Commissioner of Financial Institutions to have the tools to protect consumers and conduct meaningful examinations and investigations of mortgage servicers. This measure provides the Commissioner with this authority and the ability to cooperate with other states in joint examinations of licensees operating in more than one state.

Your Committee additionally finds that the Division of Financial Institutions has indicated that the fee changes proposed by this measure are based on the Division's need to appropriately carry out its mission. The Division is responsible for the licensure, examination, and supervision of state-chartered and licensed banks, trust companies, savings and loan associations, financial services loan companies, credit unions, escrow depositories, money transmitters, mortgage servicers, mortgage loan originators, and mortgage loan originator companies. It is the only entity that monitors the regulatory compliance, safety, and soundness of these industries; the federal government does not provide this oversight.

The Division of Financial Institutions has also indicated that a guiding principle of the Division is to ensure that revenues from each program are sufficient to cover the Division's costs of operating that program. Unfortunately, the mortgage servicer program ran a deficit of \$86,765 in fiscal year 2011 and a deficit of \$173,942 in fiscal year 2012. It is therefore clear that the mortgage servicer program is fiscally unsustainable under the existing fee schedules set by chapter 454M, Hawaii Revised Statutes.

Your Committee concludes that the fee changes proposed by this measure are necessary and appropriate and will enable the Division of Financial Institutions to continue to carry out its legislatively mandated duties.

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. 1070, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1070, 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 (Galuteria, Solomon, Taniguchi).

**SCRep. 136 (Majority) Commerce and Consumer Protection on S.B. No. 1069**

The purpose and intent of this measure is to:

- (1) Clarify licensure requirements for licensees under the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes;
- (2) Adjust fees for mortgage loan originator licensees; and
- (3) Establish fees for mortgage servicer companies that conduct mortgage loan origination activities.

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 comments on this measure from the Hawaii Association of Mortgage Brokers.

Your Committee finds that this measure substitutes references from the "Nationwide Mortgage Licensing System" to "NMLS", in recognition of NMLS's name change and expansion of services beyond mortgage loan origination industries; makes numerous housekeeping and clarification amendments to chapter 454F, Hawaii Revised Statutes; and strengthens educational requirements for mortgage loan originators. Your Committee further finds that the amendments proposed by this measure are designed to keep state law current with federal law and guidelines.

Your Committee additionally finds that this measure adjusts fees for mortgage loan originators, mortgage loan originator companies, and exempt sponsoring mortgage loan originator companies and establishes fees for mortgage servicer companies that conduct mortgage loan origination activities. The fee adjustments in this measure are necessary to reflect the additional state and federal regulatory requirements and increased supervision now required for these licensees.

Your Committee also finds that the Division of Financial Institutions has indicated that the fee changes proposed by this measure are based on the Division's need to appropriately carry out its mission. The Division is responsible for the licensure, examination, and supervision of state-chartered and licensed banks, trust companies, savings and loan associations, financial services loan companies, credit unions, escrow depositories, money transmitters, mortgage servicers, mortgage loan originators, and mortgage loan originator companies. It is the only entity that monitors the regulatory compliance, safety, and soundness of these industries; the federal government does not provide this oversight.

The Division of Financial Institutions has also indicated that a guiding principle of the Division is to ensure that revenues from each program are sufficient to cover the Division's costs of operating that program. Unfortunately, the mortgage loan origination program ran deficits of more than \$250,000 in the past two fiscal years. It is therefore clear that the mortgage loan origination program is fiscally unsustainable under the existing fee schedules set out in the Hawaii Revised Statutes.

The Division estimates additional revenues of \$10,000 a year, based on the provisions in this measure that adjust and establish fees for the mortgage loan originator industry. The additional fee revenues proposed by this measure, combined with the Division's share of the franchise tax, will help close the deficit in the Division's mortgage loan originator program.

Your Committee notes that representatives of the mortgage loan origination industry met with the Commissioner of Financial Institutions in 2012 and agreed to the fee adjustments for their industry as set out in this measure. Your Committee concludes that the

fee changes proposed by this measure are necessary and appropriate and will enable the Division of Financial Institutions to continue to carry out its legislatively mandated duties.

Your Committee has amended this measure by:

- (1) Making technical, nonsubstantive amendments that amend sections 412:9-501(b); 454F-2.5; 454F-4(a), (c), (e), and (f); 454F-4.9; 454F-6(b) through (e); 454F-9(b), (c), (d), and (g); 454F-14; 454F-17; and 454F-23, Hawaii Revised Statutes, by substituting the word "NMLS" wherever the words "the Nationwide Mortgage Licensing System", or similar term, appears, as the context requires; and
- (2) 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1069, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1069, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Galuteria, Solomon, Taniguchi).

**SCRep. 137 Commerce and Consumer Protection on S.B. No. 968**

The purpose and intent of this measure is to specify the term "general circulation" as it refers to a newspaper for purposes of service by publication in a civil action.

Your Committee received testimony in support of this measure from the Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii, and one individual.

Your Committee finds that the cost for publication of summons has continued to rise in recent years. These costs are usually passed on to the consumer. Your Committee further finds that this measure specifies that "general circulation" newspapers must be distributed at least weekly, along with other requirements. Currently, only daily newspapers are considered by the courts to be of general circulation. The amendments proposed by this measure will give parties to a lawsuit more inexpensive options when publishing summons.

Your Committee additionally finds that as technology advances and more people have access to the Internet, state agencies and departments will begin to move more toward online documents, notices, and publications. Your Committee notes that the Department of Commerce and Consumer Affairs has a website for the electronic publication of notices of public sale for foreclosed properties. The Department's website was created to address some of the issues associated with the rising cost of publishing foreclosure notices, and your Committee concludes that expanding this website to cover electronic service of publication would be an appropriate way to address the rising cost associated with service of publication and increase access to publication of summons.

Accordingly, your Committee has amended this measure by:

- (1) Permitting a summons for service by publication in a civil action to be published on a state website maintained by the Department of Commerce and Consumer Affairs; and
- (2) Amending the purpose section of this measure for 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. 968, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 968, 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. 138 (Joint) Tourism and Hawaiian Affairs and Commerce and Consumer Protection on S.B. No. 1360**

The purpose and intent of this measure is to extend permanently the general excise tax exemption for:

- (1) Funds received by submanagers of associations of apartment owners of condominiums or nonprofit homeowners or community associations for reimbursement of common expenses;
- (2) Funds received by a hotel operator from a timeshare association to pay employee expenses; and
- (3) Funds received by a hotel suboperator from the owner or operator of a hotel or timeshare association, to pay employee expenses.

Your Committees received testimony in support of this measure from Wyndham Vacation Ownership, Outrigger Enterprise Group, Hawaii Association of REALTORS, Hawaii Chapter Community Associations Institute, Hawaii Lodging and Tourism Association, and one individual. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that allowing the lapse of general excise tax exemptions enacted by Act 239, Session Laws of Hawaii 2007, as amended, will unfairly burden consumers and employees by increasing common expenses and decreasing employee wages and benefits. Your Committees further find that this measure will make permanent a tax exemption to transactions that are similar to certain transactions that are already exempt. Condominium submanagers, timeshare associations, and hotel suboperators are in similar situations to hotel and condominium operators when they receive funds and should be taxed similarly. This measure will ensure the consistent and uniform application of the tax law for taxpayers in similar situations.



As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1360 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.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 3 (Taniguchi, Wakai, Slom).

**SCRep. 139      Tourism and Hawaiian Affairs on S.B. No. 488**

The purpose and intent of this measure is to authorize the Hawaii Tourism Authority to disburse grants for the development of visitor industry products and programs.

Your Committee received testimony in support of this measure from the Hawaii Tourism Association.

Your Committee finds that the Hawaii Tourism Authority is encouraged to enter into contracts and agreements for the development of visitor industry products and programs. In 2012, the Hawaii Tourism Authority provided support for 24 major festivals and events, 104 county enrichment programs, and 20 community projects that improved visitor experiences. Although currently procured through contracts, your Committee finds that the funds provided to these events and programs would be more appropriately characterized as grants. Along with less paperwork, grants will allow community organizations to receive funds for programs upfront, as opposed to backend payments pursuant to contracts. Providing the Hawaii Tourism Authority with grant authority will allow both parties to better characterize the agreement and reduce the administrative burden to the community organizations providing these important programs.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 488 and recommends that 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. 140      (Joint) Health and Commerce and Consumer Protection on S.B. No. 1124**

The purpose and intent of this measure is to authorize the Department of Health to expend fees from the dietitian licensure special fund to offset expenses relating to the licensure of dietitians.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Dietetic Association, Family Voices, Hiliopaa Family to Family Information Center, and one individual.

Your Committees find that the Department of Health incurs significant expenses through its administration of the dietitian licensure program, which was implemented in August 2012 and issued twelve dietitian licenses as of November 30, 2012, with more applications being processed. Your Committees find it necessary to authorize the Department of Health to expend up to \$30,000 annually from the dietitian licensure special fund to offset expenses incurred through the administration of this program.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1124 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.

Health  
Ayes, 4. Noes, none. Excused, 1 (Nishihara).

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 3 (Nishihara, Solomon, Taniguchi).

**SCRep. 141      (Joint) Health and Commerce and Consumer Protection on S.B. No. 668**

The purpose and intent of this measure is to require coverage of and treatment for autism spectrum disorders.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Hawaii Medical Association, Special Education Advisory Council, Community Children's Council of Hawaii, Family Voices of Hawaii, Hawaii Disability Rights Center, Community Alliance for Mental Health, Hawaii Autism Foundation, and twenty-five individuals. Your Committees received comments on this measure from the Department of Health, Department of Commerce and Consumer Affairs, and Autism Behavior Consulting Group, Inc.

Your Committees find that autism spectrum disorders are affecting more children every year. Your Committees also find that many families in the State are unable to receive treatment and services for their children with autism spectrum disorders because their insurance policies do not provide coverage for these disorders. Your Committees further find that requiring coverage for autism spectrum disorders in every health insurance policy issued in the State will allow families with children with autism spectrum disorders to receive critical treatments and services.

Your Committees find that the Insurance Commissioner will be responsible for publishing the adjusted maximum benefit annually. Your Committees further find that because the maximum benefit will be established in the Hawaii Revised Statutes, any changes to the maximum benefit should be made by amending the appropriate statutes and should not be made by the Insurance Commissioner without public comment. Your Committees note that the addition of a new mandated coverage may trigger section 1311(d)(3) of the

federal Patient Protection and Affordable Care Act, which requires states to defray the additional cost of any benefits in excess of the essential health benefits of the State's qualified health plan.

Your Committees have amended this measure by:

- (1) Specifying that the accident and health or sickness insurance policies and hospital or medical service plans covered by this measure are individual and group policies and plans;
- (2) Inserting a maximum lifetime benefit of \$300,000 for an individual to receive behavioral health treatment;
- (3) Including social workers in the definition of "treatment for autism spectrum disorders" as professionals qualified to diagnose autism spectrum disorders;
- (4) Inserting an effective date of January 1, 2030, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 668, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 668, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Slom).

**SCRep. 142 (Joint) Commerce and Consumer Protection and Tourism and Hawaiian Affairs on S.B. No. 500**

The purpose and intent of this measure is to:

- (1) Clarify that an association's duty to report to the Department of Taxation is limited to the relevant information an association actually receives from a transient accommodation operator; and
- (2) Limit the fines imposed on an association while also holding an owner or operator of a transient accommodation accountable for failure to report.

Your Committees received testimony in support of this measure from the Department of Taxation, Community Associations Institute Hawaii Chapter, and three individuals. Your Committees received comments on this measure from the Hawaii Association of Vacation Rental Managers.

Your Committees find that concerns have been raised about Act 326, Session Laws of Hawaii 2012 (Act 326), and whether it could be read to suggest that associations have an affirmative duty to investigate the actions of association members and determine whether those members were engaged in any taxable conduct. This measure amends Act 326 to clarify that associations do not have an affirmative duty to collect information on owners in an association who may be operating transient accommodations. This measure also amends the penalty provisions in Act 326 to a civil fine of up to \$2,500.

Your Committees note that a similar measure, S.B. No. 1186 (Regular Session of 2013), which was heard by your Committees, also amends Act 326 by replacing the criminal penalty provisions with civil fines. Testimony received by your Committees on S.B. No. 1186 indicated that amendments to Act 326 were necessary because existing criminal penalty language in the Act created an inconsistency with section 231-35, Hawaii Revised Statutes. Your Committees further find that the imposition of a \$1,000 civil penalty, as proposed by S.B. No. 1186, is more appropriate than criminal penalties and should be sufficient to bring operators of transient accommodations into compliance with the State's transient accommodations tax law.

Your Committees additionally find that it is appropriate to combine the language contained in this measure with the amendments to the penalty provisions of Act 326 as suggested by S.B. No. 1186, and note that this measure is preferable because of its broader title.

Accordingly, your Committees have amended this measure by:

- (1) Modifying penalties for wilfully failing to supply information required under section 237D- (b), (c), and (e), Hawaii Revised Statutes, established by section 2 of Act 326, from criminal penalties to civil penalties and specifying that the civil penalties shall be imposed no more than once per year;
- (2) Requiring nongovernmental entities to provide the Department of Taxation with the name, address, and contact information of local contacts designated by operators, in addition to the relevant information received by operators;
- (3) Specifying that a nongovernmental entity's duty to report shall be limited to relevant information and the name, address, and contact information of local contacts, if any, received from operators; and
- (4) Amending the purpose section of this measure for clarity.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 500, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 500, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 3 (Taniguchi, Wakai, Slom).

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 143 Human Services on S.B. No. 58**

The purpose and intent of this measure is to establish and provide appropriations for a statewide language access resource center and multilingual website pilot project to be administered by the Office of Language Access.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Office of Language Access, Hawaii Public Housing Authority, Hawaii Civil Rights Commission, Catholic Charities Hawaii, Congress of Visayan Organizations, Hawaii Hispanic News, Latin Chamber of Commerce, Hawaii State Coalition Against Domestic Violence, Hawaii Interpreter Action Network, Maui Learning LLC, and twenty-two individuals.

Your Committee finds that despite the inception of Hawaii's language access law and the Office of Language Access, there are still major challenges in Hawaii regarding agency compliance, such as the lack of a comprehensive and centralized system or structure in Hawaii to identify qualified language interpreters and translators and the lack of multilingual websites that can help limited English proficient persons access needed information from state agencies in their own language. Ironically, Hawaii has a dearth of competent language interpreters and translators available to assist limited English proficient individuals. Your Committee further finds that a language access resource center will benefit agencies, interpreters, translators, and the limited English proficient population alike since it addresses the problem of supply and demand of interpreters and translators, increases and improves the number and quality of language service providers, and provides Hawaii's limited English proficient population a better means to access state and state-funded services.

Your Committee has amended this measure by:

- (1) Including updated statistics regarding limited English proficient persons;
- (2) Broadening the credentials and qualifications of language interpreters and translators that must be listed on a publicly available roster;
- (3) Inserting an appropriation amount of \$400,000 to establish a statewide language access resource center and \$190,000 to establish a multilingual website pilot project;
- (4) Inserting an end date of June 30, 2016, for the multilingual website pilot project;
- (5) Requiring the Office of Language Access to submit a report regarding the pilot project to the Legislature no later than twenty days prior to the convening of the Regular Session of 2017; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 144 Human Services on S.B. No. 148**

The purpose and intent of this measure is to amend the law relating to human services.

Your Committee has amended this measure by deleting its contents and replacing it with language to appropriate monies to establish and operate a comprehensive service center for the deaf, hard of hearing, and deaf-blind.

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 148, as amended herein, and recommends that it be recommitted to the Committee on Human Services, in the form attached hereto as S.B. No. 148, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 145 Human Services on S.B. No. 1099**

The purpose and intent of this measure is to eliminate the asset limit for the Temporary Assistance for Needy Families program.

Your Committee received testimony in support of this measure from the Department of Human Services; Office of Community Services; Office of Hawaiian Affairs; University of Hawaii Bridge to Hope; Hawaii State Commission on the Status of Women; Hawaii Alliance for Community-Based Economic Development; Legal Aid Society of Hawaii; Hawaii Women's Coalition; Community Alliance for Mental Health; Goodwill Industries of Hawaii; American Civil Liberties Union of Hawaii; American Association of University Women, Windward Branch; and one individual.

Your Committee finds that asset limitations for public benefit programs have discouraged low-income families from accumulating assets that allow them to successfully transition from poverty to self-sufficiency. The Temporary Assistance for Needy Families program has a work requirement and promotes self-reliance, responsibility, and family stability. The federal government gives states the flexibility to raise or eliminate their asset tests for most applicants. Eliminating the asset limit would encourage families to build

assets and establish a safety net so they can continue to work toward self-sufficiency and prevent their reliance on public benefit assistance programs.

Your Committee further finds that there has been significant national discourse regarding asset limits for public benefit assistance recipients, and the Corporation for Enterprise Development has recommended eliminating the asset test. Alabama, Louisiana, Maryland, Ohio, and Virginia have completely eliminated asset tests for Temporary Assistance for Needy Families recipients. Research shows that most applicants to Temporary Assistance for Needy Families programs have very few assets, and in other states, eliminating asset tests greatly simplifies program administration without significantly increasing caseloads.

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. 1099, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1099, 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 (Taniguchi, Slom).

**SCRep. 146 Human Services on S.B. No. 1101**

The purpose and intent of this measure is to:

- (1) Establish the interim assistance reimbursement special fund into which interim assistance reimbursements received from the Social Security Administration are deposited for repayment of state-funded financial assistance provided under the general assistance, aged, blind, and disabled, or Temporary Assistance for Needy Families programs for recipients who are retroactively approved for supplemental security income; and
- (2) Authorize the Department of Human Services to expend the funds for state-funded financial assistance programs.

Your Committee received testimony in support of this measure from the Department of Human Services and Legal Aid Society of Hawaii.

Your Committee finds that state-funded financial assistance is paid to qualified general assistance, assistance to the aged, blind, and disabled, and Temporary Assistance for Needy Families program recipients while their applications for supplemental security income is pending a determination with the federal Social Security Administration. If the supplemental security income is retroactively approved, the Social Security Administration reimburses Hawaii for the state-funded assistance provided.

Your Committee further finds that the determination for supplemental security income may take several months or years if a supplemental security income appeal is filed. Consequently, the interim assistance reimbursements may not be received for the fiscal year in which the state-funded benefits were paid. The Department of Human Services is not allowed to retain interim assistance reimbursements received for a prior fiscal year and instead is required to deposit the interim assistance reimbursements into the state treasury. To stabilize payments to beneficiaries at a minimum benefit amount and to reduce the future need for emergency appropriations for the general assistance program, the Department of Human Services must be allowed to retain the interim assistance reimbursements from prior fiscal years in an interim assistance reimbursement special account to be used by the Department of Human Services for state-funded financial assistance programs.

Your Committee has amended this measure by:

- (1) Requiring, rather than allowing, the use of monies in the interim assistance reimbursement special fund for state-funded financial assistance payments and programs that support and assist recipients to qualify for supplemental security income; 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. 1101, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1101, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 147 (Joint/Majority) Education and Human Services on S.B. No. 1093**

The purpose and intent of this measure is to establish a school readiness program as a major component of the early learning system established pursuant to section 302L-2, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Governor; Department of Education; Department of Human Services; Department of the Attorney General; Department of Health; University of Hawai'i System; Hawaii Teacher Standards Board; KCAA Preschools of Hawai'i; Imua Family Services; Child & Family Service; Hawaii Baptist Early Education Association; Good Beginnings Alliance; Community Children's Council of Hawaii; Hawai'i State Parent Teacher Student Association; Protecting Hawai'i's Ohana, Children, Under Served, Elderly and Disabled; Hawaii Business Roundtable, Inc.; Kamehameha Schools; Hawai'i Association for the Education of Young Children; Westside Service Provider Network; Special Education Advisory Council; Hui for Excellence in Education; Hawaii Association of Independent Schools; Chaminade University of Honolulu; and twenty-nine individuals. Your Committees received testimony in opposition to this measure from four individuals. Your Committees received comments on this measure from Kama'aina Kids.

Your Committees find that high quality early learning programs that are affordable and accessible for all children are critically important for ensuring the success of Hawaii's keiki. In addition, the significant, long-term benefits realized through investments in high-quality, early learning systems have been established through decades of research.

In 2012, the Legislature passed Act 178, Session Laws of Hawaii 2012, which, in part, established the Executive Office on Early Learning. This measure will reaffirm the Legislature's commitment to early learning by establishing a statewide school readiness program administered by the Executive Office on Early Learning and delivered through contracts with Department of Human Services-licensed child care providers and the Department of Education.

This measure will also provide services to a gap group of children who will no longer be eligible for kindergarten beginning in 2014 due to the change in the minimum kindergarten entry age. This measure will help ensure that this cohort of children will be ready for school by providing them with a developmentally appropriate experience to prepare them physically, cognitively, linguistically, socially, and emotionally prior to beginning the public education provided by the Department of Education.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Education and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1093, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1093, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

Human Services

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Green, Taniguchi).

**SCRep. 148 Education on S.B. No. 49**

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; or
- (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 Department of Education, Hawaii Teacher Standards Board, Hawai'i Educational Policy Center, and IMUAlliance. Your Committee received late testimony in opposition to this measure from the Hawaii Government Employees Association, HGEA AFSCME Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of Budget of Finance.

Your Committee finds that, the Legislature passed Act 133, Session Laws of Hawaii 2012 (Act 133), which sought to clarify or resolve conflicting or inconsistent language in different sections of law and to amend or repeal various sections of chapter 302A, HRS. This measure continues to amend or repeal various sections of chapter 302A, HRS, for housekeeping or other purposes.

Your Committee further finds that, similarly to Act 133, 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 seeks to place certain decision making authority within the most appropriate body.

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.

Your Committee also notes the concern of the Hawaii Government Employee Association that the amendment and repeal of certain sections in this measure might create some ambiguity as to the role of principals, however your Committee believes that this matter should be left for resolution in collective bargaining negotiations and may be more appropriately placed under the purview of the Board of Education.

Your Committee has amended this measure by:

- (1) Deleting the definition of "admit" or "admitted";
- (2) Amending the definition of "attend" or "attendance" to mean that a student is physically present in school after enrollment;
- (3) Deleting the definition of "certificate";
- (4) Amending the definition of "enroll" or "enrollment" to mean a student has met all of the Department of Education's requirements for entrance and is formally put on a school's roll;
- (5) Amending the definition of "license" to clarify that a license:

- (A) Indicates the subject area and grade level for which a teacher has met all licensure requirements and is qualified to teach, and authorizes the licensee to teach in the State; and
- (B) Does not apply to the term "license" as it is used in sections 302A-425, 302A-426, and 302A-427, HRS;
- (6) Making conforming amendments to sections 302A-1145, 302A-1154, 302A-1155, 302A-1159, and 302A-1161, HRS, to account for the deletion of the definition of "admit" or "admitted" and the revisions to the definitions of "attend" or "attendance" and "enroll" or "enrollment";
- (7) Repealing sections 302A-601.5, 302A-602, 302A-602.5, and 302A-603, HRS, relating to certificates and licensing;
- (8) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (9) 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 49, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 49, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 149 Human Services on S.B. No. 1237**

The purpose and intent of this measure is to:

- (1) Extend the sunset date of Act 156, Session Laws of Hawaii 2012, relating to the nursing facility sustainability fee program, to June 30, 2014, and make conforming amendments; and
- (2) Increase the cap for the nursing facility sustainability fee to twelve percent of net patient service revenue.

Your Committee received testimony in opposition to this measure from the Department of Human Services. Your Committee received comments on this measure from the Hawaii Long Term Care Association.

Your Committee finds that Act 156, Session Laws of Hawaii 2012 (Act 156), established the nursing facility sustainability program. This program leverages available federal funding for the Department of Human Services to make supplemental payments to nursing facilities to help offset their uncompensated care costs and thereby increases the sustainability of Hawaii's long-term care facilities.

Your Committee further finds that S.B. No. 1111, Regular Session of 2013, is the product of collaboration among the Department of Human Services, Healthcare Association of Hawaii, and Hawaii Long Term Care Association that, among other things, extends the nursing facility sustainability fee program to June 30, 2014, maintains the four percent cap on the nursing facility sustainability fee, updates certain dates referenced in Act 156, and appropriates funds out of the nursing facility sustainability program special fund.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting language from S.B. No. 1111; 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. 1237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1237, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 150 (Majority) Tourism and Hawaiian Affairs on S.B. No. 1194**

The purpose and intent of this measure is to:

- (1) Eliminate the sunset of the transient accommodations tax rate of 9.25 percent;
- (2) Decrease the allocation of transient accommodations tax revenues to the convention center enterprise special fund, tourism special fund, and counties and make the allocations permanent; and
- (3) Eliminate the daily \$10 transient accommodations tax for complimentary accommodations.

Your Committee received testimony in support of this measure from the Department of Taxation, Department of Budget and Finance, and Hawaii Tourism Authority. Your Committee received testimony in opposition to this measure from the Maui County Council, County of Hawaii Office of the Mayor, Hawaii Council of Mayors, Maui Chamber of Commerce, Outrigger Enterprises Group, Hawaii Lodging and Tourism Association, The Chamber of Commerce of Hawaii, and VIP Foodservice. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that allowing the transient accommodations tax rate to return to 7.25 percent would take needed funds from the general fund. According to the Department of Budget and Finance, retaining a 9.25 percent tax rate is a key component to ensuring that the State's general fund financial plan remains balanced beyond the fiscal biennium 2013-2015. Your Committee further finds that despite recent growth in the tourist industry, Hawaii must continue to develop tourist programs and incentives so that Hawaii remains competitive in the global tourism market.

Accordingly, your Committee has amended this measure by:

- (1) Decreasing the percentage of transient accommodations tax revenues allocated to the tourism special fund but repealing the temporary \$71,000,000-per-fiscal-year limit on transient accommodations tax revenues that may be deposited into the tourism special fund; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1194, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 151 (Majority) Tourism and Hawaiian Affairs on S.B. No. 1202**

The purpose and intent of this measure is to:

- (1) Eliminate the sunset of the transient accommodations tax rate of 9.25 percent and raise the rate to 11.25 percent beginning July 1, 2013;
- (2) Decrease the allocations of the transient accommodations tax to the convention center enterprise special fund, tourism special fund, and the counties and makes these allocations permanent; and
- (3) Repeal provisions imposing a daily tax of \$10 on complimentary rooms.

Your Committee received testimony in support of this measure from the Department of Taxation and Department of Budget and Finance. Your Committee received testimony in opposition to this measure from the Hawaii Tourism Authority, County of Hawaii Office of the Mayor, County Council of Maui, Outrigger Enterprises Group, Hawaii Lodging and Tourism Association, Starwood Hotel and Resorts, Maui Chamber of Commerce, The Chamber of Commerce of Hawaii, and VIP Foodservice. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that allowing the transient accommodations tax rate to fall to 7.25 percent will deprive the State of needed funds. Hawaii already has a hotel tax rate lower than that of many other high volume visitor destinations in the United States. Your Committee further finds that an 11.25 percent tax rate will provide needed stability in the State's budget moving forward and will potentially assist in establishing necessary state fiscal reserves. The Department of Budget and Finance views this measure as a vehicle to begin discussions about long term funding mechanisms that will increase state revenues.

Your Committee has also heard the concerns raised by those opposed to this measure. Many testifiers, including the Hawaii Tourism Authority, believe the proposed tax increase will diminish Hawaii's ability to compete in the global tourism market and will further injure Hawaii's economy. Some counties also expressed concerns that the measure does not allocate enough funds to the counties, which bear the brunt of the costs related to the tourism industry. After discussion, your Committee concludes that the long terms effects of this measure on the State's economy and budget are more appropriately addressed by the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1202 and recommends that 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 (Keith-Agaran, Kidani). Noes, 1 (Slom). Excused, 1 (Hee).

**SCRep. 152 (Joint) Water and Land and Energy and the Environment on S.B. No. 319**

The purpose and intent of this measure is to allow the use of thrill craft to conduct ocean cleanup, as authorized by rules of the Department of Land and Natural Resources.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Marine and Coastal Zone Advocacy Council (Ke Kahu O Na Kumu Wai), and one individual.

Your Committees find that with the advance of technology, thrill crafts, also known as personal watercrafts, have become a valuable tool when dealing with issues in the near shore waters of the State. These watercrafts are used by lifeguards, search and rescue units, and state agencies to operate in very shallow water without little threat to natural resources.

Your Committees recognize that thrill craft can be a very effective tool to clean up debris in near shore waters, such as pervasive plastic bags, and particularly with the anticipated onslaught of various sized debris from the 2012 Japan tsunami. However, your Committees are concerned that the use of thrill craft may inordinately interfere with the activities of fisherman who earn their living fishing in the same waters in which thrill craft operate. For this reason, your Committees note that their intent in recommending passage of this measure is that the Department of Land and Natural Resources incorporate into its rules an accommodation for fishermen and seek their input accordingly in the rule-making process.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 319 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.

Water and Land

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

Energy and Environment  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 153 (Joint) Water and Land and Energy and the Environment on S.B. No. 454**

The purpose and intent of this measure is to encourage the widespread reuse of gray water, for water conservation purposes, in accordance with the conditions applied by the Department of Health for the use of gray water for irrigation purposes.

Your Committees received testimony in support of this measure from the Department of Health, Department of Land and Natural Resources, Kula Community Association, and five individuals. Your Committees received comments on this measure from Earth Justice, Plumbing & Mechanical Contractors Association of Hawaii, and one individual.

Your Committees find that the use of gray water for landscape irrigation purposes should be increased in the interests of fresh or potable water conservation.

Your Committees have amended this measure by:

- (1) Deleting references to residential units;
- (2) Deleting the restrictions on the use of gray water;
- (3) Requiring all use of gray water to conform to the latest edition of the Uniform Plumbing Code;
- (4) Redefining "gray water" and placing the definition in the definitions section of the chapter rather than in section 342D-70, Hawaii Revised Statutes; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that the amended measure defines gray water in a manner that protects the public health and safety.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 454, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 454, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Water and Land  
Ayes, 5. Noes, none. Excused, 2 (Shimabukuro, Thielen).

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 154 Water and Land on S.B. No. 1162**

The purpose and intent of this measure is to make permanent Act 160, Session Laws of Hawaii 2010 (Act 160), which would otherwise sunset on June 30, 2013.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Planning, Hawaii Association of REALTORS, and two individuals.

Act 160 requires landowners in shoreline areas to ensure that public transit beach corridors are passable and free from human-induced, enhanced, or unmaintained vegetation that blocks transit. Landowners that induce or allow their vegetation to grow below the shoreline are asked to remove or trim the vegetation. When landowners fail to comply, Act 160 allows the Department of Land and Natural Resources to issue a notice of violation to the landowner, assess penalties, and charge landowners for the cost of removal if the landowner fails to remove an obstruction.

Your Committee finds that coastal vegetation is an integral part of the native ecosystem and can provide an important ecological and environmental function, including coastal flood mitigation. However, when certain species of coastal vegetation are allowed to grow unfettered in an urban beach environment, they may create community-wide problems. Coastal vegetation that extends seaward of its natural range can impede public access by creating a barrier at the fragile intersection of submerged and fast lands. Moving vegetative barriers inland allows homeowners to maintain the privacy barriers they have grown accustomed to, while fostering healthy shoreline access and beach use on a heavily used urban beach.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1162 and recommends that 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 (Dela Cruz, Ihara, Thielen).

**SCRep. 155 Water and Land on S.B. No. 803**

The purpose and intent of this measure is to establish a one-year irrigation water conservation best management practices pilot program, under which the Department of Accounting and General Services, Department of Transportation, and Department of Land and Natural Resources shall implement irrigation water conservation best management practices, as established by the Landscape Industry Council of Hawaii, to improve the efficiency of all existing and new landscape irrigation installations through low cost, practical measures.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Department of Transportation, Department of Accounting and General Services, Board of Water Supply of the City and County of Honolulu,



Landscape Industry Association, Irrigation Hawaii Limited, Aloha Arborist Association, Landscape Industry Council of Hawaii, and one individual.

The landscape irrigation conservation best management practices established by the Landscape Industry Council of Hawaii were developed in close consultation with landscape professionals across the State and are recognized nationally as industry standards.

According to testimony, it is estimated that an average family household uses fifty percent of its total water consumption for outdoor purposes. Of that fifty percent, the Environmental Protection Agency estimates an average of fifty percent of outdoor water use is for irrigation.

Your Committee finds that through the proper installation, maintenance, and operation of irrigation systems using best management practices, precious groundwater supplies, including forested watersheds, can be preserved for future generations.

Your Committee has amended this measure by:

- (1) Extending the pilot program from one to two years;
- (2) Changing the reporting deadline to the Legislature from twenty days prior to the convening of the 2015 Regular Session to twenty days prior to the convening of the 2016 Regular Session to address the testimony of the Department of Accounting and General Services that the earlier due date would necessitate more funding; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 803, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 803, 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 (Dela Cruz, Ihara, Thielen).

**SCRep. 156 Water and Land on S.B. No. 1164**

The purpose and intent of this measure is to provide the Board of Land and Natural Resources the discretion to grant easements for less than fair market value in regard to encroaching structures of an oceanfront property that were authorized and constructed landward of the shoreline but are now located seaward of the shoreline, due to the dynamic nature of the location of the shoreline.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Planning, and one individual. Testimony in opposition to this measure was received from three individuals.

In *County of Hawaii v. Sotomura*, 55 Haw. 176, 517 P.2d 57 (1973), the Hawaii Supreme Court held that "land below the high water mark, like flowing water, is a natural resource owned by the state subject to, but in some sense in trust for, the enjoyment of certain public rights." As a result of this ruling, any structures located seaward of the shoreline location as determined by the Department of Land and Natural Resources would be considered encroachments upon public land and require an easement to be obtained from the Department.

Easements granted by the Board of Land and Natural Resources under the circumstances described above require the easement holder to compensate the Department at fair market value of the easement. This measure would allow the compensation to be at less than fair market value, which is only fair to the easement holder since the easement is non-exclusive and can vary with changes in the shoreline.

Your Committee has amended this measure by:

- (1) Rewording the special shoreline encroachment easements provision, on the recommendation of the Department of Land and Natural Resources; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1164, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1164, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ihara, Thielen).

**SCRep. 157 Commerce and Consumer Protection on S.B. No. 505**

The purpose and intent of this measure is to specify that a percentage of fees paid into the condominium education trust fund shall be used to support mediation of condominium related disputes.

Your Committee received testimony in support of this measure from the Community Associations Institute Hawaii Chapter, Mediation Center of the Pacific, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Real Estate Commission. Your Committee received comments on this measure from the Hawaii State Judiciary and one individual.

Your Committee finds that mediation can be a consumer friendly way of resolving condominium related disputes. However, the lack of subsidized mediation programs may discourage individuals from seeking access to mediation services. Your Committee further finds that condominium associations and developers in the State pay into the condominium education trust fund through periodic registration fees. Dedicating a portion of the fees paid into the condominium education trust fund to support mediation of

condominium related disputes will directly benefit the entire condominium community. This will also ensure that condominium owners have access to the services of high quality mediators, including retired judges, who have extensive subject matter expertise.

Your Committee also finds that providing a robust mediation opportunity for condominium owners throughout the State should be encouraged, as it is a useful way of resolving condominium related disputes before adversarial legal action is considered.

Your Committee has amended this measure by:

- (1) Adding support for mediation of condominium related disputes as one of the educational purposes that shall be supported by the condominium education trust fund;
- (2) Beginning with the July 1, 2015, biennium registration, imposing an additional annual condominium education trust fund fee dedicated to supporting mediation of condominium related disputes and specifying the total fee payable into the condominium education trust fund;
- (3) Requiring the Real Estate Commission to make adjustments to the condominium education trust fund to ensure adequate funds are available for mediation of condominium related disputes and any mediation requests are fully accommodated prior to the commencement of the additional annual condominium education trust fund fee;
- (4) Specifying that the Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division's budget ceiling shall be amended to reflect the additional annual condominium education trust fund fee;
- (5) Specifying that as of June 30 of every odd-numbered year, any unexpended amounts of the additional fees paid into the condominium education trust fund and dedicated to supporting mediation of condominium related disputes shall be used to support other educational purposes;
- (6) Updating section 1 of this measure to reflect its amended purpose;
- (7) Inserting an effective date of July 1, 2013; 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. 505, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 505, 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 (Galuteria, Taniguchi, Slom).

**SCRep. 158 Commerce and Consumer Protection on S.B. No. 1071**

The purpose and intent of this measure is to:

- (1) Modernize the State's financial institutions law, codified as chapter 412, Hawaii Revised Statutes; and
- (2) Adjust fees for financial institutions to reflect the additional regulation and monitoring required of the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committee received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs, Hawaii Financial Services Associations, and Hawaii Bankers Association.

Your Committee finds that the last comprehensive review of the State's financial institutions law was in 1993. This measure modernizes the financial institution law to reflect changes in federal laws over the last twenty years, including changes required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. This measure also strengthens and clarifies the Commissioner of Financial Institution's powers to administer and enforce chapter 412, Hawaii Revised Statutes.

Your Committee further finds that as a result of federal laws enacted and amended over recent years, the Division of Financial Institutions is now required to exercise heightened supervision, regulation, and examination over state chartered financial institutions. This measure therefore adjusts fees to reflect the additional regulatory requirements and monitoring required for specific licensees.

Your Committee notes that the Commissioner of Financial Institutions met with the representatives of the financial institutions industry in the summer of 2012 for the purpose of reviewing and modernizing the State's banking laws to reflect changes in federal law. This measure is the result of those meetings.

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. 1071, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1071, 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 (Galuteria, Solomon, Taniguchi).

**SCRep. 159 (Joint) Water and Land and Economic Development, Government Operations and Housing on S.B. No. 1026**

The purpose and intent of this measure is to:

- (1) Issue and serve an order to a party to show cause why a property should not revert to its former land use classification or be changed to a more appropriate classification; or

- (2) Modify the conditions or impose new conditions on the party to ensure compliance with a decision and order of the Commission,

if the party has not substantially commenced use of the land in accordance with representations made to the Commission or has not substantially complied with conditions imposed.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of Planning; and Land Use Commission. Your Committees received testimony in opposition to this measure from Hawaii's Thousand Friends, Sierra Club Hawaii Chapter, and one individual.

Recent cases have shown that violations often occur or are brought to the attention of the Commission many years after an original order is granted by the Commission. In certain circumstances, reversion of the land back to its original classification may make no sense given what has occurred in surrounding areas or may be unfair to a petitioner who has already invested considerable capital in a project. Your Committees find that this measure provides the Commission with more efficient and varied methods of dealing with situations where landowners violate the conditions contained in a decision and order.

As affirmed by the records of votes of the members of your Committees on Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1026 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.

Water and Land

Ayes, 4; Ayes with Reservations (Shimabukuro, Slom). Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Economic Development, Government Operations and Housing

Ayes, 6; Ayes with Reservations (Chun Oakland, Slom). Noes, none. Excused, 1 (Thielen).

**SCRep. 160 (Joint/Majority) Water and Land and Economic Development, Government Operations and Housing on S.B. No. 1275**

The purpose and intent of this measure is to grant the Kaho'olawe Island Reserve Commission (Commission) a permanent procurement exemption for the procurement of food or fuel products necessary for the Commission to carry out the purposes of chapter 6K, Hawaii Revised Statutes, relating to the Kaho'olawe Island Reserve law.

Your Committees received testimony in support of this measure from the Kaho'olawe Island Reserve Commission.

Your Committees find that strict adherence to procurement code requirements is frequently not practicable for the Commission or advantageous to the State.

Act 159, Session Laws of Hawaii 2010, provided a temporary procurement exemption to the Commission. The exemption sunsets on July 1, 2013. Your Committees find that the uniqueness of the Commission's work necessitates a procurement exemption. For example, personnel and cargo are typically transported between Maui and Kaho'olawe by boat, and helicopter transportation is used only sparingly due to its high cost. Both methods of transportation involve several variables, including the weather, mechanical functions, and personnel availability. Additionally, both methods of transportation have size and weight limitations for their cargo. The Commission's requirements for fuel products are also unique in the State, as the Commission takes delivery and transports its own fuel supplies in multiple forms, such as bulk and barrel, which are not currently provided by the state contracted fuel provider. Furthermore, food vendor prices change weekly, if not more frequently, and the Commission's food orders change weekly in terms of products and quantities ordered.

Purchasing flexibility under the current temporary exemption has allowed the Commission to make the most cost effective and healthiest selections of local produce when available. Testimony of the Commission indicates that it has been able to reduce waste by purchasing smaller quantities on sale or at reduced prices, whereas purchasing from the state price list would entail larger bulk orders tailored for much larger institutions and operations.

As affirmed by the records of votes of the members of your Committees on Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1275 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.

Water and Land

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Ihara, Ruderman, Thielen).

Economic Development, Government Operations and Housing

Ayes, 5; Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 161 (Joint) Water and Land and Economic Development, Government Operations and Housing on S.B. No. 1027**

The purpose and intent of this measure is to:

- (1) Specify that a development by a state agency on state land within the special management area need not obtain a permit or shoreline setback variance, if the development meets certain requirements; and
- (2) Allow state agencies with developments on state land to either self certify compliance with the coastal zone management law, obtain a federal consistency concurrence pursuant to federal regulations, or continue to go through the special management area permitting and shoreline setback variance processes if they prefer.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Office of Planning; Department of Business, Economic Development, and Tourism; The Chamber of Commerce of Hawaii; BIA-Hawaii; Marine and Coastal Zone Advocacy Council (Ke Kahu O Na Kumu Wai), and Indigenous Consultants, LLC. Your Committees received testimony in opposition to this measure from four individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that state consistency review and certification will help the State expeditiously deliver capital improvement projects and repair and maintenance projects without sacrificing coastal resources.

This measure provides a streamlined review process for development by a state agency on state land within the special management area, in place of a county approved special management area permit and shoreline setback variance. The special management area permitting system, managed by the counties and overseen by the Office of Planning, is part of the federally approved Hawaii coastal zone management program. The special management area permitting process involves public hearings by the county planning commissions or the Honolulu City Council and may involve contested case hearings.

As affirmed by the records of votes of the members of your Committees on Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1027 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.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Economic Development, Government Operations and Housing

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

**SCRep. 162 (Joint) Water and Land and Agriculture on S.B. No. 5**

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 lessees' original intended purposes.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Ulupono Initiative, Local Foods Coalition, and Hawaii Farm Bureau Federation.

Your Committees find that the Department of Land and Natural Resources established conservation easements on approximately six thousand acres of lands, originally leased for pasture or special livestock use, in order to widen Saddle Road in the County of Hawaii. As a result, the lessee ranchers were prevented from grazing cattle and effectively deprived of their use of the land.

Although the Department reduced the lease rent in proportion to the taking of the land, the lessees received no other compensation. Existing law provides no other method of compensation. However, the lessees are still required by their leases to maintain insurance on the land and pay taxes for the land they cannot use for the specific purpose for which it was originally leased. As a result, several lessees reduced their herd and have been unable to mitigate the long-term, fixed costs associated with operating a ranch in the way they anticipated when the lease was negotiated. Thus, the lessees have experienced financial hardship for an extended period of time that is not sufficiently mitigated by a reduction in their lease rent.

S.B. No. 2951, S.D. 2, H.D. 2, C.D. 1, Regular Session of 2010, attempted to address this issue by providing fair compensation when leased public land for agricultural or pastoral uses is withdrawn, condemned, or taken for public purposes. Although this measure passed the Legislature, it was vetoed by the Governor on the grounds that the bill "disproportionately and inappropriately compensates these lessees of public lands above other lessees of State lands."

Your Committees believe that rent reduction is insufficient, especially if the lessor fails to recognize that the law is designed to take into account a lessee's original intended purpose for leasing the land. This measure is necessary to 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.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 5 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.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

Agriculture

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

**SCRep. 163 (Joint) Water and Land and Agriculture on S.B. No. 1339**

The purpose and intent of this measure is to establish a definition of rural that would protect existing programs in remote areas of the State, such as the critical access hospital designation for Kahuku Medical Center, and expand opportunities for other communities that are designated as rural within the State but do not otherwise meet federal definitions to qualify as such.

Your Committees received testimony in support of this measure from Kahuku Medical Center and two individuals.

Your Committees find that the 2010 Census determined that Oahu no longer contains any areas that federally qualify as rural. This endangers Kahuku Medical Center's designation as a critical access hospital and disqualifies all communities on Oahu from participating in federal rural programs. Since 2010, rural communities in Hawaii have qualified for \$1,890,000 in federal grants from

the Health Resources and Services Administration's Office of Rural Health Policy alone, with about half going to Oahu. With the release of the latest census figures, communities on Oahu no longer qualify for these and other federal programs.

While the federal definitions of rural will keep some communities from participating in federal programs, there are several federal programs that recognize state definitions of rural. This measure establishes a state definition of rural that would protect existing programs in remote areas of the State.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1339 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.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Ruderman).

Agriculture

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

**SCRep. 164 (Majority) Commerce and Consumer Protection on S.B. No. 22**

The purpose and intent of this measure is to clarify that the sale, transfer, or exchange of stock in an entity whose assets include real property located in Hawaii is a conveyance of realty subject to the conveyance tax when the sale, transfer, or exchange of stock is executed with an unrelated entity or individual.

Your Committee received testimony in support of this measure from the Nature Conservancy of Hawai'i, Catholic Charities Hawai'i, Housing Hawaii, The Trust for Public Land, and Hawai'i Appleseed Center for Law and Economic Justice. Your Committee received testimony in opposition to this measure from Hawaiian Electric Industries, Inc.; The Chamber of Commerce of Hawaii; Land Use Research Foundation of Hawaii; NAIOP Hawaii; and Building Industry Association of Hawaii. Your Committee received comments on this measure from the Department of Taxation; Alexander and Baldwin, Inc.; and Tax Foundation of Hawaii.

Your Committee finds that it is reasonable for transfers of realty via the sale, transfer, or exchange of stock to be subject to the State's conveyance tax, just as direct transfers of real estate via purchase and sale agreements are subject to the conveyance tax. The amendments proposed by this measure would close a loophole in the conveyance tax law and provide additional funds for critical areas that receive appropriations from conveyance tax proceeds, including affordable housing development, land preservation, and watershed conservation.

Your Committee has heard the concerns about this measure related to its potential effects on affordable housing development and its retroactive applicability and concludes that amendments are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that it is the value of the realty that is transferred in a sale, transfer, or exchange of stock that will be assessed a conveyance tax;
- (2) Specifying that the conveyance tax shall be based upon the lesser of the most recent county real property tax assessed value of the realty or, if available, a current qualified appraisal by a licensed real estate appraiser in the State;
- (3) Providing for exceptions for sales or transfers between subsidiaries of the same parent entity and between partners engaged in qualified affordable rental housing development;
- (4) Requiring a certificate of conveyance to be filed for stock transfers that affect realty;
- (5) Removing the retroactive provision in the effective date and inserting an effective date of July 1, 2013;
- (6) Amending the purpose section for clarity; 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. 22, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 22, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, 2 (Solomon, Slom). Excused, none.

**SCRep. 165 Commerce and Consumer Protection on S.B. No. 508**

The purpose and intent of this measure is to allow a condominium or homeowner association, as a junior lienholder, to commence or continue a nonjudicial foreclosure action on a property subject to a judicial foreclosure until a foreclosure commissioner is appointed by the Circuit Court.

Your Committee received testimony in support of this measure from the Community Associations Institute, Hawaii Council of Associations of Apartment Owners, and one individual. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that under Hawaii's current foreclosure law, an association cannot foreclose nonjudicially if a lender is foreclosing. Even if an association has already begun a nonjudicial foreclosure before the lender begins the foreclosure, that association's nonjudicial foreclosure must be put on hold or converted to a judicial foreclosure. The judicial foreclosure process can experience significant delays, during which time a property can fall into a state of disrepair, which negatively affects neighboring

properties and the community as a whole. This measure provides associations and their surrounding communities with a mechanism to mitigate the damage, neglect, and loss of revenue or value that results from the extended time that is currently required for a mortgagee to judicially foreclose on a property.

Your Committee further finds that this measure may have the unintended consequence of accelerating foreclosures by mortgagees. The removal of an owner-occupant may make the nonjudicial foreclosure process under part II of chapter 667, Hawaii Revised Statutes, more attractive to mortgagees who are currently foreclosing by action via part IA of chapter 667, Hawaii Revised Statutes. Because there would be no owner-occupant resident at the time the foreclosing mortgagee initiated a foreclosure pursuant to section 667-22, Hawaii Revised Statutes, the foreclosure would not be subject to the dispute resolution provisions in part V of chapter 667, Hawaii Revised Statutes. Your Committee concludes that amendments to address this unintended consequence are necessary.

Your Committee additionally finds that this measure seeks to prevent anyone conducting a nonjudicial foreclosure from continuing once a foreclosure commissioner is appointed. However, your Committee notes that proposed amendments are unnecessary. Because a judicial foreclosure is a judicial proceeding, there will be a judge available at all times to prevent a nonjudicial foreclosure from interfering in the judicial foreclosure proceeding. Your Committee concludes that amendments to address this language are also necessary.

Accordingly, your Committee has amended this measure by:

- (1) Removing unnecessary existing language and proposed amendments about staying the foreclosure process during the pendency of a circuit court foreclosure action;
- (2) Clarifying that if an association forecloses on residential real property that is occupied by owner-occupants mortgagors and the mortgagee subsequently forecloses its lien on the same property, then the owner-occupants shall retain their right to require the foreclosing mortgagee to participate in the dispute resolution process under part V, chapter 667, Hawaii Revised Statutes;
- (3) Amending the purpose section for clarity; 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. 508, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 508, 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. 166 Commerce and Consumer Protection on S.B. No. 631**

The purpose and intent of this measure is to provide immunity from civil liability for trained installers and inspectors of automotive child passenger restraint devices.

Your Committee received testimony in support of this measure from State Farm Mutual Automobile Insurance Company; Hawaii Chapter, American Physical Therapy Association; and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that child passenger safety technicians provide education to parents and caregivers regarding the proper installation of child restraints. The valuable information and instruction provided by these technicians can help decrease the number of injuries sustained by children in motor vehicle accidents. This measure encourages certified child passenger safety technicians to assist others in the proper use and installation of child passenger restraint systems.

Your Committee has amended this measure by:

- (1) Clarifying that the immunity provided for in this measure shall not apply to gross negligence or intentional, willful, or wanton conduct; and
- (2) Inserting an effective date of July 1, 2030, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 631, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 631, 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. 167 Agriculture on S.B. No. 974**

The purpose and intent of this measure is to authorize the State to issue special purpose revenue bonds to benefit agricultural enterprises, effective upon the ratification of a constitutional amendment authorizing the State to issue special purpose revenue bonds for agricultural enterprises.

Your Committee received testimony in support of this measure from Hawaii Cattlemen's Council; Hui O Malama Aina; Alexander and Baldwin, Inc.; and Ulupono Initiative. Your Committee received comments on this measure from the Department of Agriculture and Department of Budget and Finance.

Your Committee finds that major infrastructure requirements such as irrigation systems, roads and utilities, and agricultural processing facilities play a critical role in the survival of many agricultural businesses. This measure will provide important financial support for Hawaii's agricultural operations.

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. 974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 974, 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. 168      Agriculture on S.B. No. 595**

The purpose and intent of this measure is to exempt amounts received from the loading, transportation, and unloading of milk, poultry, eggs, poultry carcasses, or poultry meat to be consumed in the State, whether processed in the State or imported, and aquaculture or aquaponic products to be consumed in the State, whether processed in the State or imported, from the general excise tax.

Your Committee received testimony in support of this measure from 4 Ag Hawaii, Local Food Coalition, Hawaii Aquaculture and Aquaponics Association, Hawaii Cattlemen's Council, Hawaii Food Industry Association, Ulupono Initiative, and one individual. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii. Your Committee received comments on this measure from the Department of Agriculture, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that although amounts received from the loading, transportation, and unloading of certain agricultural commodities shipped between islands are already exempt from the general excise tax, milk, poultry, eggs, poultry carcasses, poultry meat, and aquaculture and aquaponic products do not share a similar exemption, although they are equally important to the State's agricultural economy. In 2009, the State received only \$6,100 in general excise tax revenues for the items affected by this measure. Expanding the current general excise tax exemption to additional agricultural commodities will help alleviate financial strains on livestock producers and improve the State's agricultural self-sufficiency and food security without a significant negative impact on the State's tax revenue.

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. 595 and recommends that 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 (English, Thielen, Slom). Noes, none. Excused, 1 (Wakai).

**SCRep. 169      Agriculture on S.B. No. 585**

The purpose and intent of this measure is to amend the important agricultural land qualified agricultural cost tax credit by:

- (1) Clarifying the amount of the credit;
- (2) Repealing the requirement that qualified agricultural costs be reduced by the amount of funds received from the irrigation repair and maintenance special fund; and
- (3) Repealing the filing deadline to claim credits.

Your Committee received testimony in support of this measure from Hui O Malama Aina, Maui County Farm Bureau, and Alexander and Baldwin, Inc. Your Committee received testimony in opposition to this measure from Animal Rights Hawaii. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that incentives to landowners and farmers to conduct agricultural activities on important agricultural lands are not only mandated by law but vital to the agricultural and economic future of the State. This measure clarifies and strengthens provisions in the important agricultural land qualified agricultural cost tax credit law and serves as a stimulus to encourage owners and farmers to expand their operations and enhance their operating efficiencies.

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. 585 and recommends that 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. 170      Agriculture on S.B. No. 757**

The purpose and intent of this measure is to:

- (1) Appropriate funds to continue the livestock revitalization program;
- (2) Adjust the amount of subsidy received under the program to the lesser of \$200,000 per year or fifteen percent of food costs incurred per year for production of poultry products, milk, or pigs and beef cattle raised and slaughtered in Hawaii for local consumption; and
- (3) Require funds for the program to be expended from the agricultural development and food security special fund.

Your Committee received testimony in support of this measure from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Hawaii Farm Bureau Federation; and Kauai Cattlemen's Association. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that local farmers and livestock producers are struggling with growing feed costs due in large part to drought conditions in the State and on the Mainland. Your Committee further finds that increased feed costs are threatening the closure of the few livestock producers left in Hawaii and that sustaining livestock production is vital to the State's food security and self-sufficiency.

Your Committee concluded that a subsidy should be granted to similarly situated producers of protein products and has amended this measure by:

- (1) Extending the livestock subsidy to include feed costs incurred by qualified producers of goat milk with a herd not less than twenty-five lactating milking goats per fiscal quarter;
- (2) Extending the livestock subsidy to include feed costs incurred by qualified producers of sheep or lamb that are grown, slaughtered, processed, and marketed in the State with annual sales of not fewer than thirty sheep or lambs; provided that the herd shall not fall below thirty sheep per fiscal quarter;
- (3) Extending the livestock subsidy to include feed costs incurred by qualified producers of fish or crustaceans, farmed by aquacultural practices, with current annual sales of not less than two thousand pounds; provided that sales shall not fall below five hundred pounds per fiscal quarter;
- (4) Prohibiting reimbursement of feed costs to qualified producers when the amount of reimbursement will result in an annual profit of more than eight percent for sheep, lamb meat, or seafood producers; 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 S.B. No. 757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Wakai). Noes, none. Excused, 1 (Slom).

**SCRep. 171 Public Safety, Intergovernmental and Military Affairs on S.B. No. 78**

The purpose and intent of this measure is to create the offense of resisting arrest in the first degree as a class C felony if a person intentionally prevents a law enforcement officer acting under color of the law enforcement officer's official authority from effecting an arrest by removing or attempting to remove a firearm from the person of a law enforcement officer.

Your Committee received testimony in support of this measure from the Criminal Investigation Unit of the Honolulu Police Department, City and County of Honolulu; County of Hawaii Police Department; and Hawaii Rifle Association.

Your Committee finds that this measure addresses situations in which law enforcement officers engage in a physical struggle with an individual and the individual attempts to remove the officer's firearm. Anyone who would knowingly attempt to disarm a law enforcement officer who is acting under the color of official authority has displayed malicious conduct and poses an immediate threat not only to the officer, but also to other persons in the area. This measure discourages individuals from resisting the actions of law enforcement officers while the officers are making an arrest.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 78 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 (Green).

**SCRep. 172 Public Safety, Intergovernmental and Military Affairs on S.B. No. 835**

The purpose and intent of this measure is to authorize the Judicial Council to nominate persons for appointment to a county ethics commission; provided that the county's charter or ordinance requires members of the commission to be appointed from nominations made by the Judicial Council.

Your Committee received testimony in support of this measure from the League of Women Voters, Common Cause Hawaii, and one individual.

Your Committee finds that each member of the Hawaii State Ethics Commission is appointed by the Governor from a panel of ten persons nominated by the Judicial Council. The Hawaii Supreme Court appoints members of the Judicial Council, which does not presently include legislators. In contrast, members of each of the county ethics commissions are appointed by the Mayor of the county and confirmed by the county or city council, both of which are subject to oversight by the particular county ethics commission.

Article XIV of the Hawaii State Constitution provides in pertinent part: "Each code of ethics shall be administered by a separate ethics commission . . . The members of ethics commissions shall be prohibited from taking an active part in political management or in political campaigns. Ethics commissioners shall be selected in a manner which assures their independence and impartiality."

This measure affords the counties the same opportunity the State has been given, to assure the independence and impartiality of their respective ethics commissions, by authorizing the State's Judicial Council to nominate persons for appointment to a county ethics commission.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 835 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 (Galuteria, Slom).

**SCRep. 173 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.B. No. 930**

The purpose and intent of this measure is to appropriate funds to support the investigative stage of the Pacific International Space Center for Exploration Systems (PISCES) Sustainable Concrete Initiative, contingent upon a dollar-for-dollar match from other sources.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii County Council; PISCES Board of Directors; International Ventures, Associates; Near Earth; Hawaii Aerospace Advisory Committee; Near Earth; Shackleton Energy Company; and six individuals.

Your Committees find that PISCES is an economic driver for the Island of Hawaii that promotes the establishment and growth of new sustainable and green industries along with associated jobs, workforce development, internships, and science, technology, engineering, and math (STEM) education programs.

In addition to enabling three dimensional concrete printing technology, the work being done on developing various basaltic concrete binding methods holds amazing potential for creating advanced manufacturing jobs and inexpensive building options in Hawaii. The proposed PISCES Sustainable Concrete Initiative is an important step toward realizing this potential, providing an investment in the future of Hawaii and its economy by offering a self-sufficient and in-situ source of concrete for local applications.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 930 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 174 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1256**

The purpose and intent of this measure is to appropriate funds to support operations of and the purchase of equipment required to support the Pacific International Space Center for Exploration Systems (PISCES).

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Land Use Research Foundation of Hawaii; University of Hawaii System; Hawaii Aerospace Advisory Committee; Aerospace States Association; Oahu Economic Development Board; East Hawaii Community Development Corporation; Shackleton Energy Company; Ontario Drive and Gear; and eight individuals.

Your Committee finds that PISCES was established to leverage Hawaii's substantial assets and capabilities in the space industry to advance the national space program and provide unique opportunities to expand and diversify technology-based enterprise and education statewide. The goal for PISCES is to develop a world-class center of excellence in Hawaii that can facilitate the design, testing, and validation of new technologies to support robotic and human missions to space, and in so doing serve as an economic driver for the Island of Hawaii that will promote the establishment and growth of new sustainable and green industries along with associated jobs, workforce development, internships, and science, technology, engineering, and math (STEM) education programs.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1256 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 175 Public Safety, Intergovernmental and Military Affairs on S.B. No. 437**

The purpose and intent of this measure is to authorize the liquor commissions to conduct alcohol abuse treatment and prevention activities and include license fees as a funding mechanism for the treatment and activities.

Your Committee received testimony in support of this measure from the County Council, County of Maui; the Hawaii Substance Abuse Coalition; and two individuals. Your Committee received testimony in opposition to this measure from the Honolulu Liquor Commission and the Hawaii Food Industry Association.

Your Committee finds that the prevention of alcohol abuse is a critically important public need and that effective programs to address alcohol abuse require adequate funding; therefore, it is appropriate to allocate revenues generated from liquor license fees to programs designed to prevent and treat alcohol abuse.

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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 437, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 437, 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 (Galuteria, Slom).

**SCRep. 176      Judiciary and Labor on S.B. No. 883**

The purpose and intent of this measure is to make a housekeeping amendment to the public sector collective bargaining law.

Prior to the hearing on this measure, your Committee made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and inserting language to establish a separate collective bargaining unit for first responders, including state law enforcement officers and state and county ocean safety and water safety officers.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Public Safety; Department of Land and Natural Resources; Honolulu Emergency Services Department, City and County of Honolulu; Kaua'i Fire Department, County of Kaua'i; Ocean Safety Bureau, Kaua'i Fire Department; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; North Shore Lifeguard Association; Hawaiian Lifeguard Association; Outrigger Hotels Hawaii; and fifty-seven private individuals.

Your Committee finds that state law enforcement, ocean safety, and water safety officers are highly trained and competent emergency first responders. State sheriffs and ocean safety and water safety officers employed by the State or counties currently belong to collective 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 state sheriffs and ocean safety and water safety officers. By establishing a separate bargaining unit for these officers, the proposed S.D. 1 will enable these officers to more easily address any specialized needs of these officers with the employer, including fitness and equipment requirements, and improve salaries, benefits, and working conditions.

Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 883, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 883, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Ihara).

**SCRep. 177      Judiciary and Labor on S.B. No. 868**

The purpose and intent of this measure is to:

- (1) Assist in streamlining the notification process by requiring the Hawaii Labor Relations Board to provide written notice of a hearing to all parties by first class mail at least fifteen days before the date of a scheduled hearing; and
- (2) Make housekeeping amendments to the law relating to the scope of negotiations between the public employer and the exclusive representative to conform to existing law.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Office of Collective Bargaining. Testimony in opposition to this measure was submitted by the University of Hawaii Professional Assembly and one private individual.

Your Committee finds that the Hawaii Labor Relations Board currently uses registered or certified mail to provide notice to interested parties of a scheduled hearing. The Department of Labor and Industrial Relations testified that requiring the Board to provide notice via first class mail will permit the Board to more efficiently allocate resources. The money from the postage savings could be used by the Board to develop an electronic filing system. However, your Committee questions how much will be saved by switching to first class mail from registered or certified mail. Furthermore, your Committee has concerns that this measure may have unintended legal consequences on the Board and the hearing process by changing the method of delivery. Thus, your Committee has requested that the Department of Labor and Industrial Relations provide to the Committee on Ways and Means the expected cost savings and any foreseeable legal impacts this measure may have.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 868, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 868, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 178      Judiciary and Labor on S.B. No. 889**

The purpose and intent of this measure is to clarify that when the State prevails in a court action, the Attorney General is allowed an award of attorney's fees and litigation costs but not to the Attorney General personally.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that some courts have misinterpreted section 28-6, Hawaii Revised Statutes, and have refused to award attorney's fees to the State or the Department of the Attorney General when the State prevails in a lawsuit and a deputy attorney general requests an award of attorney's fees. The purpose of section 28-6, Hawaii Revised Statutes, is to prohibit the Attorney General

and deputy attorneys general from being compensated for performing a task that is already a part of their official duties and for which they receive a salary. However, existing law was not meant to prevent the State or the department from recovering attorney's fees in lawsuits in which the State prevails. Accordingly, this measure allows the department an award of attorney's fees when the State prevails in a lawsuit and clarifies that the Attorney General shall not personally receive a fee or reward. Your Committee notes its intent that the attorney's fees awarded to the department shall be consistent with the amount of awards to other interested parties.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 889, 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. 179      Judiciary and Labor on S.B. No. 414**

The purpose and intent of this measure is to establish licensing requirements for commercial dog breeders and ensure that the dogs under the custody and control of commercial dog breeders are provided minimum standards of care.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Hawaiian Humane Society; Hawaii Island Humane Society; The Humane Society of the United States; Best Friends Animal Society; and twenty-one private individuals. Testimony in opposition to this measure was submitted by the Department of Commerce and Consumer Affairs, American Kennel Club, Pet Industry Joint Advisory Council, Golden Retriever Club of Hawaii, Golden Retriever Club of Hawaii Rescue and Breeder Referral Program, Hawaiian Chinese Shar-Pei Club, and fourteen private individuals. Three private individuals submitted comments.

Your Committee finds that profit-driven breeding is prevalent in Hawaii. According to the Hawaii Data Book 2011, the pet industry amounts to nearly \$96,000,000 a year. A recent internal tracking of puppy sales on Oahu conducted by the Hawaiian Humane Society found that between June 2012 and December 2012, there were 1,689 puppies advertised on three popular internet sales websites, which amounted to over \$1,700,000 in sales. Your Committee further finds that because of this type of financial motivation, the puppy industry should be regulated to not only protect dogs, but also to protect consumers. Unfortunately, existing state and federal laws regarding the care and husbandry of dogs inadequately regulate large-scale breeding facilities in Hawaii.

Your Committee notes that the language in S.B. No. 2494, S.D. 1 (Regular Session of 2012) is similar to the language in this measure and also notes two differences that make the language in S.B. No. 2494, S.D. 1 (2012) preferable to this measure. First, this measure prohibits any person from owning, maintaining, or otherwise having custody or control of more than fifty dogs with intact sexual organs over the age of six months at any time while S.B. No. 2494, S.D. 1 (2012) prohibits any person from owning, possessing, controlling, or otherwise having charge or custody of more than thirty dogs with intact sexual organs over the age of one year at any time.

Second, this measure requires a commercial dog breeder to provide certain minimum standards of care if the commercial dog breeder has custody or control of more than ten female dogs with intact sexual organs over the age of six months for the purpose of breeding those female dogs and selling the female dogs' offspring. S.B. No. 2494, S.D. 1 (2012) requires any person who owns or possesses more than ten dogs, male or female, over the age of four months with intact sexual organs to provide certain minimum standards of care to each dog. Your Committee 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, your Committee further finds that the minimum standards of care requirement under S.B. No. 2494, S.D. 1 (2012) that applies to owners with more than ten dogs over the age of four months with intact sexual organs per premise is consistent with the City and County of Honolulu ordinance.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing it with language in S.B. No. 2494, S.D. 1 (Regular Session 2012) to:
  - (A) Establish a standard of care for dogs to ensure proper treatment of dogs and the dogs' offspring by prohibiting the ownership or custody of more than thirty dogs over the age of one year with intact sexual organs, at any time; 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 and maintain specific written records of each dog for a specified period; prohibiting certain types of dogs to be placed in the same enclosure; and establishing penalties; and
  - (B) Ensure every dog under a dog breeder's care is provided a minimum standard of care by requiring the licensing of dog breeders; 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; 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 authorizing a county agent or its contracted designees to inspect a dog breeder licensee's premises unannounced and during regular business hours; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 414, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 414, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Ihara, Shimabukuro, Sлом). Noes, none. Excused, none.

**SCRep. 180      Judiciary and Labor on S.B. No. 1010**

The purpose and intent of this measure is to modify the law that prohibits the Attorney General, First Deputy, and other deputies from engaging in the private practice of law by allowing deputy attorneys general, other than the Attorney General's First Deputy, to provide pro bono services to the community at the Attorney General's discretion.

Your Committee received testimony in support of this measure from the Department of the Attorney General and Hawaii Access to Justice Commission. Comments were submitted by the Hawaii State Ethics Commission.

Your Committee finds that under the Hawaii Rules of Professional Conduct, every attorney is responsible for providing legal services to those individuals who are unable to pay. This rule assures that more individuals are afforded access to justice. Currently, deputy attorneys general are prohibited from providing pro bono services because existing law requires them to devote their entire time and attention to the duties of their respective offices and ensure that the legal matters of the State are properly and promptly addressed. This measure will increase delivery of legal services to low income Hawaii residents by allowing more attorneys to provide pro bono legal services.

Your Committee notes that the Hawaii State Ethics Commission is concerned that this measure conflicts with the laws relating to conflicts of interest under the State Ethics Code. The State Ethics Code prohibits a deputy attorney general from working on a matter in the deputy attorney general's official capacity. Furthermore, the Commission expressed to your Committee that authorizing the Attorney General the sole discretion to determine who may receive pro bono legal services from deputy attorneys general and for whom state resources may be expended may be inconsistent with the intent of the fair treatment law under the State Ethics Code. The Department of the Attorney General and the State Ethics Commission agreed that referencing rule 6.1 of the Hawaii Rules of Professional Conduct to specify the types of pro bono activities for which the Department of the Attorney General's resources may be used in providing pro bono legal services was sufficient in alleviating the Commission's fair treatment concerns.

Accordingly, your Committee has amended this measure by:

- (1) Adopting language suggested by the Hawaii State Ethics Commission that limits the types of pro bono legal services that may be provided to services that do not reasonably create a conflict of interest and requires the Attorney General to make certain considerations when determining whether to allow a deputy to provide pro bono legal services;
- (2) Adding a reference to rule 6.1 of the Hawaii Rules of Professional Conduct to specify the types of pro bono legal services and activities for which the Department of the Attorney General's resources may be used in providing pro bono legal services;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion on this matter; 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. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1010, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 181      (Majority) Judiciary and Labor on S.B. No. 1263**

The purpose and intent of this measure is to provide an opportunity for all employees who work more than a total of five hours a day to rest and eat by:

- (1) Prohibiting employers from requiring any employee to work more than a total of five hours a day without at least thirty minutes for a meal break, with certain exceptions;
- (2) Imposing penalties on employers who fail to provide meal breaks; and
- (3) Clarifying that the employer's liability is based on an employee's regular wage at the time the infraction occurred.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Plumbers and Fitters, Local 675; International Longshore and Warehouse Union, Local 142; and one private individual. Testimony in opposition to this measure was submitted by the Retail Merchants of Hawaii, The Chamber of Commerce of Hawaii, Building Industry Association of Hawaii, Hawaii Business League, Outrigger Hotels of Hawaii, Hawaii Credit Union League, Society for Human Resource Management – Hawaii Chapter, and one private individual.

Your Committee finds that under existing law, employers are required to provide minor workers who are at least fourteen years old but under the age of sixteen an interval of at least thirty consecutive minutes for a rest or lunch period for no more than five continuous hours of work. However, employers are not required by law to provide their employees sixteen years of age or older any meal or rest period, no matter how many consecutive hours their employees may be required to work. Meal breaks offer employees the opportunity to eat and rest in order to recharge and sustain them through the remainder of their work day.

The Department of Labor and Industrial Relations indicated in its written testimony that twenty-two other states or jurisdictions require employers to provide their employees meal periods, while seven states require employers to provide rest periods to their employees. This measure aligns Hawaii with other state laws by requiring employers, under certain circumstances, to provide meal breaks for any employee who works more than five consecutive hours and imposes penalties on employers who fail to provide meal breaks when applicable.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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. 1263, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1263, 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 (Ihara). Noes, 1 (Slom). Excused, none.

**SCRep. 182      Judiciary and Labor on S.B. No. 30**

The purpose and intent of this measure is to make various amendments to the campaign finance laws. Specifically, this measure:

- (1) Requires candidates to file the affidavits stating voluntary agreement to abide by spending limits at the time nomination papers are filed; and
- (2) Increases the prosecuting attorney's voluntary campaign expenditure limit.

Your Committee received testimony in support of this measure from the Campaign Spending Commission and two private individuals.

Your Committee finds that this measure makes a couple of housekeeping amendments to the campaign finance laws. This measure requires candidates to file affidavits to voluntarily abide by statutory expenditure limitations no later than the deadline to file nomination papers. This proposed amendment will allow Campaign Spending Commission staff to better implement the partial financing program and achieve compliance with state election laws.

Furthermore, this measure corrects a statutory deletion that resulted in placing the prosecuting attorney in a lower expenditure category. The commission testified that placing the prosecuting attorney in a lower expenditure seemed unreasonable given the fact that the prosecuting attorney is a county-wide office. The proposed amendment increases the campaign expenditure amount of a publicly financed prosecuting attorney candidate by placing the prosecuting attorney under the same category as state senators, state representatives, and county council members participating in the partial public financing program.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30 and recommends that 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. 183      (Majority) Judiciary and Labor on S.B. No. 34**

The purpose and intent of this measure is to amend the law that sets forth guidelines and limitations for appropriate government authorities in making adjustments for their respective public employees excluded from collective bargaining. Specifically, this measure requires that across-the-board wage increases or reductions, step movement, or employer contributions for health benefits adjustments for public employees excluded from collective bargaining in the excluded managerial compensation plan are at least equal to the adjustments provided under collective bargaining agreements to employees in the collective bargaining unit from which the excluded employees in the managerial compensation plan are excluded.

Your Committee received testimony in support of this measure from the Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO.

Your Committee finds that existing law does not provide enough guidance or limitations on how government entities may make adjustments for their respective excluded employees who are in the excluded managerial compensation plan. This measure establishes limitations and prevents the application of all the terms of a respective collective bargaining agreement with respect to across-the-board wage increases or reductions and changes in health and retirement benefits to excluded employees in the managerial compensation plan.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 34 and recommends that 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 (Gabbard).

**SCRep. 184      Judiciary and Labor on S.B. No. 856**

The purpose and intent of this measure is to recognize Fred Korematsu and his commitment to preserving civil liberties by establishing January 30 of each year as "Fred Korematsu Day".

Your Committee received testimony in support of this measure from the Hawai'i Civil Rights Commission, Korematsu Institute for Civil Rights and Education, American Civil Liberties Union of Hawaii, Japanese Cultural Center of Hawai'i, Hawai'i Council for the Humanities, and five private individuals.

Your Committee finds that Fred Korematsu is an American civil rights hero who refused to comply with Executive Order 9066 that mandated the incarceration of one hundred twenty thousand people of Japanese ancestry in 1942. After he was arrested and convicted for defying the executive order, Mr. Korematsu appealed his case to the United States Supreme Court. The Supreme Court ruled against him and held that the internment of Japanese-Americans was a military necessity. In 1983, Mr. Korematsu re-opened his case,

and his conviction was overturned in federal court based on subsequently discovered evidence that the government hid evidence from the Supreme Court that showed that Japanese-Americans did not commit any acts of treason to justify mass evacuation, incarceration, and exclusion. In 1998, Mr. Korematsu was awarded the Presidential Medal of Freedom, the nation's highest civilian honor.

In 2010, California established January 30 of every year as "Fred Korematsu Day of Civil Liberties and the Constitution", making it the first permanent day named after an Asian American in United States history. Similarly, this measure establishes January 30 of every year as "Fred Korematsu Day" to celebrate, honor, and encourage public education and awareness of Fred Korematsu and his commitment to preserving civil liberties.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856 and recommends that it pass Second Reading and be referred to the Committee on Technology and the Arts.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 185      Judiciary and Labor on S.B. No. 878**

The purpose and intent of this measure is to clarify the authority of an arbitrator to award costs in arbitration proceedings.

Your Committee received testimony in support of this measure from the Hawaii Association for Justice.

Your Committee finds that existing law allows an arbitrator to award attorney's fees and other reasonable expenses relating to arbitration. However, there is confusion as to whether "expenses of arbitration" has the same meaning as "costs" because "costs" has its own distinct meaning that is traditionally used and applied by the courts. This measure adds the term "costs" to comply with the more traditional meaning used by the courts, which includes costs such as deposition transcripts, witness fees, copying costs, and similar expenditures.

Your Committee further finds that existing law authorizes an arbitrator to award attorney's fees and other expenses in a civil action involving the same claim or by the agreement of the parties to the arbitration proceeding. This measure changes the term "same claim" to "similar claim" to recognize that arbitration procedures are more flexible in addressing a wider range of disputes and issues than the courts and provide arbitrators the same discretion as judges to award costs when appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 878 and recommends that 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. 186      Judiciary and Labor on S.B. No. 879**

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 Crime Victim Compensation Commission; Hawai'i Tourism Authority; Department of the Prosecuting Attorney, City and County of Honolulu; and Victim/Witness Assistance Division, Department of the Prosecuting Attorney, County of Maui.

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 facilitate the prosecution of important criminal 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. 879 and recommends that 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. 187      Judiciary and Labor on S.B. No. 1014**

The purpose and intent of this measure is to create a more complete and reliable DNA database by establishing that any person who refuses or fails to provide any required blood specimen, buccal swab sample, or print impression for forensic identification shall be guilty of a class C felony.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, County of Maui; Police Department, County of Maui; and Police Department, County of Hawai'i. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that all defendants convicted of a felony offense are required to submit a DNA sample for the purpose of establishing a DNA database that can be used to solve crimes, including cold cases, and to exonerate the innocent. Under existing law, a defendant commits the offense of refusal or failure to provide specimen for forensic identification if the defendant intentionally or knowingly refuses or fails to provide any blood specimens, buccal swab samples, or print impressions after receiving written notice of

the requirement. However, if a defendant refuses or fails to comply with the law, the only mechanism to obtain compliance is the threat of a misdemeanor for a negligent or reckless violation. This measure repeals the misdemeanor penalty and establishes a class C felony to align the intentional or knowing action of noncompliance with the appropriate penalty.

However, your Committee questions whether elevating the state of mind element to intentionally or knowingly rather than negligently or recklessly will cause more defendants to submit specimens for forensic identification. Your Committee is concerned that elevating the state of mind element to intentionally or knowingly may instead make it more difficult to prosecute the offense of refusal or failure to provide specimens for forensic identification.

Accordingly, your Committee has amended this measure by:

- (1) Reinstating the language that makes it a misdemeanor for any person who negligently or recklessly fails to comply with submitting a specimen for forensic identification;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 1014, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1014, 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. 188      Judiciary and Labor on S.B. No. 1015**

The purpose and intent of this measure is to clarify the reciprocity provision under existing law that allows the service of process issued by another state upon a Hawaii recipient. Specifically, this measure clarifies that:

- (1) The service of process may be upon a person or business, but not a government agency;
- (2) The service of process is for the production of records;
- (3) The service of process shall be based upon a pending criminal investigation or prosecution; and
- (4) The person or business being served has conducted business or engaged in transactions occurring at least in part in the issuing state.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Police Department, County of Hawai'i; Police Department, City and County of Honolulu; and Police Department, County of Maui.

Your Committee finds that existing law requires an entity located in Hawaii to comply with the criminal process issued by another state as if that process had been issued by a Hawaii court. This law creates reciprocity between Hawaii and other states to make access to records relating to a criminal matter a two-way street. However, the Department of the Attorney General raised three concerns in its written testimony regarding the language under existing law.

First, the Department is concerned that the reciprocity provision may be interpreted as allowing someone from another state to issue process to try to compel a state agency in Hawaii to disclose government records. This measure clarifies that a recipient in Hawaii may be a person or business, but not a government agency.

Second, according to the Department of the Attorney General, the term "criminal process" appears to be misplaced and confusing because this term is defined under section 806D-1, Hawaii Revised Statutes, as a process issued pursuant to the Hawaii Penal Code, Hawaii Rules of Penal Procedure, or signed by a Hawaii district or circuit court judge. However, process issued in another state cannot be issued pursuant to Hawaii law or signed by a Hawaii judge. This measure clarifies that the service of process is for the production of records that shall be based upon a pending criminal investigation or prosecution.

Third, the reciprocity provision does not appear to require that the Hawaii recipient have a nexus to the issuing state that is requesting the Hawaii recipient's records. This measure clarifies that the person or entity being served has conducted business or engaged in transactions occurring at least in part in the issuing state.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1015, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1015, 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. 189      Transportation and International Affairs on S.B. No. 4**

The purpose and intent of this measure is to require all front and back seat passengers to be restrained by a seat belt assembly or child passenger restraint while the motor vehicle is being operating upon any public highway.

Your Committee received testimony in support of this measure from the Department of Transportation, Department of Health, Honolulu Police Department, Mothers Against Drunk Driving, Injury Prevention Advisory Committee, State Farm, and the State Highway Safety Council.

Your Committee finds that there is a need for all motor vehicle occupants to be restrained by a seat belt or child passenger restraint while riding in a motor vehicle being operated on any public roadway. Seat belt restraints for all occupants increases the safety of all motor vehicle occupants by as much as forty-five percent, according to the National Highway Traffic Safety Administration. Seat belts are one of the most effective safety features and have saved the lives of thousands of motor vehicle occupants.

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. 4 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, 8. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 190 (Majority) Transportation and International Affairs on S.B. No. 574**

The purpose and intent of this measure is to authorize the court to order posting of a bond equal to the market value of the vehicle used in the commission of an excessive speeding offense within five years of two prior convictions for excessive speeding, with return of the bond contingent on certain conditions.

Your Committee received testimony in support of this measure from the Department of Transportation. Testimony in opposition to this measure was received from one individual. Comments on this measure were received from Enterprise.

Your Committee finds that the penalty of posting a bond would be a significant deterrent for a person who has committed the violation of excessive speeding more than twice within five years. The deterrent reduce the risk of death, serious injury, and property damage on Hawaii's highways.

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. 574 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, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 191 (Majority) Transportation and International Affairs on S.B. No. 484**

The purpose and intent of this measure is to:

- (1) Require applicants for category 2 (motorcycle and motor scooter) licenses to designate whether the applicant elects to wear a safety helmet with a chin strap at all times when operating the vehicle;
- (2) Establish a rate and minimum county vehicle weight tax on motorcycles and motor scooters for owners of motorcycles and motor scooters electing to wear safety helmets, which shall be the same as provided for passenger vehicles, under certain conditions;
- (3) Establish a rate and minimum county vehicle weight tax on motorcycles and motor scooters for owners who cannot prove that they elected to wear a safety helmet which shall be double the tax for passenger vehicles;
- (4) Clarify penalties for failure to wear safety helmet for drivers electing to wear safety helmet; and
- (5) Require the county councils to determine increased application fees for instruction permits, provisional licenses, and driver's licenses for applicants who do not elect, on the application, to wear a safety helmet at all times when operating a motorcycle or motor scooter.

Your Committee received testimony in support of this measure from the Department of Health, Examiner of Drivers, Mothers Against Drunk Driving, Injury Prevention Advisory Committee, Maui Memorial Medical Center, The Queen's Medical Center, and fifteen individuals. Testimony in opposition was received from the Honolulu Police Department, Street Bikers United of Hawaii and of Maui, Foundation Motorcycle Club, and numerous individuals. Comments were received from four individuals.

Your Committee finds that this measure offers a financial incentive to riders who elect on driver's license applications that they will wear a helmet when operating their motorcycle or motor scooter. This measure focuses on increasing helmet usage by encouraging the positive choice of wearing a safety helmet to protect riders from death and injury.

Your Committee has considered various methods and incentives to motivate motorcycle and motor scooter riders to use safety helmets, other than making the use of safety helmets mandatory. Instead of taking a punitive approach by doubling the motor vehicle weight tax and application fee for instruction permits, provisional licenses, and driver's licenses, your Committee believes a compassionate approach is to simply provide a discount for those who elect to wear safety helmets.

Your Committee has amended this measure by:

- (1) Further enhancing the incentive for motorcycle and motor scooter owners to elect to wear a safety helmet by providing an additional discount of \$50 to the rate and minimum county vehicle tax for motorcycles and motor scooters;
- (2) Deleting the increased rate and minimum county vehicle tax for motorcycle and motor scooters owners who cannot prove that they have elected to wear a safety helmet;



- (3) Deleting the mandated additional fee for instruction permits, provisional licenses, and driver's licenses for applicants who do not elect to wear a safety helmet; 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 Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 484, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 484, 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 (Keith-Agaran, Solomon). Noes, 2 (Gabbard, Slom). Excused, 1 (Dela Cruz).

**SCRep. 192 (Majority) Transportation and International Affairs on S.B. No. 1309**

The purpose and intent of this measure is to require helmet use for individuals under the age of eighteen operating or riding motorcycles, motor scooters, mopeds, and all-terrain vehicles; and to require persons engaging in the business of renting these vehicles to furnish a safety helmet to renters under the age of eighteen of motorcycles, motor scooters, mopeds, and all-terrain vehicles who will drive or ride on these vehicles. This measure also defines "all-terrain vehicle" and "safety helmet".

Your Committee received testimony in support of this measure from the Department of Health, Honolulu Police Department, The Queen's Medical Center, and six individuals. Testimony in opposition to this measure was received from one individual.

Your Committee finds that traumatic brain injury affects a large number of people in our State, including children. According to testimony of The Queen's Medical Center, in 2010 more than one-third of those treated in the emergency department for traumatic brain injury were eighteen years and younger. Of the patients seen at The Queen's Medical Center who are involved in motorcycle and moped crashes, less than forty percent wear a helmet. Because of this, more patients die or are permanently incapacitated from head trauma than would occur if all or nearly all of them wore a helmet at the time of their crash.

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

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1309, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Keith-Agaran). Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 193 Commerce and Consumer Protection on S.B. No. 960**

The purpose and intent of this measure is to establish that it is a prohibited practice for a foreclosing mortgagee or foreclosing association to cancel a public sale at any time before the date of the public sale without written notification of the cancellation delivered to the mortgagor, the borrower, and other specified persons.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Community Associations Institute Hawaii Chapter.

Your Committee finds that pursuant to Act 48, Session Laws of Hawaii 2011, the foreclosing mortgagee in a nonjudicial foreclosure is legally required to provide notice of the postponement or cancellation of the public sale to specific persons. It is prohibited conduct for a foreclosing mortgagee to fail to notify identified persons and entities of the postponement or cancellation of a nonjudicial foreclosure sale. Your Committee further finds that amendments are necessary because the suggested language proposed by this measure replicates existing notice requirements for nonjudicial foreclosures.

However, your Committee additionally finds that although the protections relating to the postponement or cancellation of sale apply to nonjudicial foreclosures, there is not a similar requirement for judicial foreclosures under part IA, chapter 667, Hawaii Revised Statutes. Your Committee therefore concludes that these existing protections for nonjudicial foreclosures should also apply to mortgagors and borrowers involved in the judicial foreclosure process.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that establishes a notice of postponement or cancellation of sale requirement under part IA, chapter 667, Hawaii Revised Statutes, relating to judicial foreclosures;
- (2) Removing language that would have required foreclosing mortgagees in a nonjudicial foreclosure to provide notice of the postponement or cancellation of a public sale to specific persons, as this requirement is already imposed on a foreclosing mortgagee under sections 667-28 and 667-97, Hawaii Revised Statutes;
- (3) Amending the purpose section for clarity; 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. 960, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 960, 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. 194 Commerce and Consumer Protection on S.B. No. 1074**

The purpose and intent of this measure is to:

- (1) Regulate physical therapist assistants by limiting the use of certain titles and requiring licensure prior to practicing in the State;
- (2) Ensure physical therapist assistants have the appropriate education and training background;
- (3) Add a physical therapist assistant to the composition of the Board of Physical Therapy of the Department of Commerce and Consumer Affairs; and
- (4) Appropriate funds out of the compliance resolution fund to implement the licensure of physical therapist assistants.

Your Committee received testimony in support of this measure from the American Physical Therapy Association; Hawaii Chapter of the American Physical Therapy Association; The Queen's Medical Center; Occupational Therapy Association of Hawaii; Ho'okahi Leo, Physical Therapist Assistants of Hawaii; Tripler Army Medical Center, Pain Clinic; and nineteen individuals.

Your Committee finds that physical therapist assistants are health care providers who deliver physical therapy services under the direction and supervision of physical therapists. Currently, Hawaii is the only state in the country that does not regulate physical therapy assistants.

Your Committee further finds that the Auditor's Office conducted a sunrise review in 1995 on a proposal to regulate physical therapy assistants, pursuant to section 26H-6, Hawaii Revised Statutes. The Auditor's report concluded there was no need for regulation and cited little potential harm to the public because the small number of physical therapy assistants practicing in Hawaii could only work under the supervision of a physical therapist. However, since that time, the scope of physical therapy practice has expanded and the number of physical therapy assistants practicing in Hawaii has increased.

Your Committee additionally finds that physical therapy assistants work in a variety of practice settings, including hospitals, private practices, schools, and home health, and work with different patient populations, including children and the elderly. Because some treatment provided by physical therapy assistants could cause harm to patients if not done correctly, your Committee concludes that licensure for physical therapy assistants is needed in the State to protect the public and ensure consumer safety.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1074, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1074, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 195 Commerce and Consumer Protection on S.B. No. 1370**

The purpose and intent of this measure is to:

- (1) Expand the application of mandatory mortgage foreclosure dispute resolution by requiring mortgagees, at the mortgagor's election, to participate in mediation to avoid foreclosure or mitigate damages from foreclosure prior to filing a judicial foreclosure action for property that has been the mortgagor's primary residence for a specified period; and
- (2) Apply the dispute resolution requirement to judicial foreclosure actions filed prior to the effective date of this measure and pending an initial court hearing.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Hawaii Community Assets, and one individual. Your Committee received testimony in opposition to this measure from the Hawaii Bankers Association, Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii, and Hawaii Credit Union League.

Your Committee finds that the Legislature has previously expressed a desire for dispute resolution combined with the assistance of a United States Department of Housing and Urban Development (HUD)-certified housing counselor to be available for homeowners facing foreclosure. Foreclosure mediation has been highly successful in Connecticut, Nevada, and other states and can assist homeowners and loan holders or servicers reach agreements involving loan modification or other loss mitigation. These agreements can therefore avoid foreclosure and unnecessary expense and delay.

Your Committee further finds that although mortgage foreclosure dispute resolution is available upon request in non-judicial foreclosures, mortgagees have instead chosen to pursue judicial foreclosure. Although mediation in a judicial foreclosure may be ordered in the discretion of the court, only the Third Circuit, on the Island of Hawaii, has a dedicated foreclosure mediation program. This foreclosure mediation program now reports a high rate of success in foreclosure actions, which has in turn helped alleviate the pressure on the Third Circuit's civil docket. Your Committee additionally finds although the Hawaii Access to Justice Commission has strongly recommended that the Hawaii Supreme Court retain, improve, and expand the Judiciary's foreclosure mediation program, it has not yet expanded beyond the Third Circuit.

Your Committee also finds that there is emerging evidence that the availability of HUD-certified counselors in foreclosure dispute resolution programs is one of the most, if not the most, important factors in the ability of homeowners to navigate mediation programs and achieve optimal results. The report, released by the Department of Justice Access to Justice Initiative, states there is ample evidence to suggest HUD-certified housing counselors are successful in the majority of cases in obtaining some form of loss mitigation help for distressed homeowners and thereby avoiding foreclosure.

Another recent outcome study from HUD found that nearly seventy percent of the homeowners who received counseling from a HUD-certified counselor obtained a mortgage remedy and fifty-six percent were able to become current on their mortgages. Giving homeowners the option of pre-foreclosure dispute resolution through the mortgage foreclosure dispute resolution program coupled with assistance from a HUD-certified counselor will help reduce the number of cases filed in the judicial system and conserve valuable judicial resources.

This measure will ensure mortgage foreclosure dispute resolution is equally available for nonjudicial and judicial foreclosures. This gives all mortgagors facing foreclosure in Hawaii an equal opportunity to have a specifically trained mediator who can offer assistance regarding the mortgagor's financial situation and any available options. Your Committee concludes that this measure will benefit mortgagors and mortgagees by shortening the overall foreclosure process and reducing strain on the judicial 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1370, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1370, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Wakai, Slom). Noes, none. Excused, 3 (Galuteria, Solomon, Taniguchi).

**SCRep. 196 Commerce and Consumer Protection on S.B. No. 1092, S.D. 1**

The purpose and intent of this measure is to make a general fund appropriation of \$25,000,000 for fiscal year 2014-2015 to recapitalize the hurricane reserve trust fund.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of Commerce and Consumer Affairs, and Hawaii Hurricane Relief Fund Board of Directors.

Your Committee finds that this measure will recapitalize the Hawaii Hurricane Relief Fund's hurricane reserve trust fund. When the Hawaii Hurricane Relief Fund ceased operations in 2002, there was approximately \$200,000,000 in the hurricane reserve trust fund. Over the years, the hurricane reserve trust fund has been reduced to \$20,000,000.

Your Committee further finds that recapitalization of the hurricane reserve trust fund will permit the Hawaii Hurricane Relief Fund to quickly restart if necessary following a hurricane, as monies will be available to purchase reinsurance. It will also permit the Hawaii Hurricane Relief Fund to improve its claims-paying ability in the event the Hawaii Hurricane Relief Fund needs to pay out under its hurricane insurance policies.

Your Committee has amended this measure by:

- (1) Replacing the appropriation of \$25,000,000 with a blank appropriation 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1092, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1092, 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. 197 Commerce and Consumer Protection on S.B. No. 915**

The purpose and intent of this measure is to make part II of chapter 501, Hawaii Revised Statutes, relating to land recordings and deregistration of fee simple timeshare interests, permanent by repealing the applicable sunset provision in section 21 of Act 120, Session Laws of Hawaii 2009.

Your Committee received testimony in support of this measure from the American Resort Development Association, Wyndham Vacation Ownership, and SVO Pacific, Inc. Your Committee received comments on this measure from the Hawaii State Judiciary and one individual.

Your Committee finds that Act 120, Session Laws of Hawaii 2009, deregistered fee simple time share transactions from the Land Court system and established a procedure to move these transactions to the regular system in the Bureau of Conveyances.

Your Committee further finds that the number of owners of a fee simple time share range from hundreds to thousands, with each owner holding a percentage interest in the time share property. The removal of fee simple time share transactions from the Land Court has eliminated the need to issue a certificate of title for each fee simple time share unit for each owner, significantly streamlined the registration process for fee simple timeshare interests, and has eased the backlog of recordings at the Land Court. Repealing the applicable sunset provision of Act 120, Session Laws of Hawaii 2009, as provided by this measure, will therefore continue the streamlining process and ease the backlog of registering fee simple timeshare interests in the Land Court system permanently.

As affirmed by the record of votes of the members of 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. 915 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 (Taniguchi, Slom).

**SCRep. 198 Commerce and Consumer Protection on S.B. No. 1108**

The purpose and intent of this measure is to allow the Directors of Commerce and Consumer Affairs, Health, Human Services, and Labor and Industrial Relations to delegate voting authority to their designees for a specified meeting or meetings of the Hawaii Health Insurance Exchange.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Health, Department of Human Services, and Department of Labor and Industrial Relations. Your Committee received comments on this measure from the Hawaii Primary Care Association.

Your Committee finds that because the Hawaii Health Insurance Exchange, also known as the Hawaii Health Connector, was established as a Hawaii nonprofit corporation, more specific language is required regarding designees for the directors of state agencies who serve as ex-officio voting members of the Board of Directors of the Hawaii Health Connector. This measure provides the necessary flexibility for the directors of state agencies to voice their votes through their designees when they are unable to attend meetings of the Board of Directors, ensures that a voting quorum can be met, and facilitates the timely development and implementation of 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 is in accord with the intent and purpose of S.B. No. 1108 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 199 Education on S.B. No. 239, S.D. 1**

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

- (1) Move the framework for establishing an annual conference of secondary school students from chapter 317, Hawaii Revised Statutes, to chapter 302A, Hawaii Revised Statutes; and
- (2) Remove the Governor's authority to appoint members of the Student Conference Committee.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii State Student Council, and seven individuals.

Your Committee finds that the Student Conference Committee provides secondary students with the opportunity to learn valuable skills and connect with and learn from other secondary school students. In addition, it provides a forum for secondary students to share their thoughts and concerns on issues that impact their schools and communities.

Your Committee further finds that this measure reflects an improved framework for the Student Conference Committee and the role of the Student Conference Advisory Committee.

Your Committee has amended this measure by:

- (1) Adding language to specify that the public school members of the Student Conference Committee shall be selected by the Superintendent or the Superintendent's designee;
- (2) Adding language to specify that members of the Student Conference Committee from schools represented by the Hawaii Association of Independent Schools shall be selected by a representative of the Hawaii Association of Independent Schools; 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 Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 239, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 239, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 200 Education on S.B. No. 237, S.D. 1**

The purpose and intent of this measure is to establish a three-year pilot program within the Office of the Lieutenant Governor to allow for the limited lease of public school lands and facilities under the authority of the Department of Education in order to generate revenue from certain uses that are for public purposes, such as workforce housing, to build and retrofit twenty-first century schools and create more school-centered communities.

Your Committee received testimony in support of this measure from the Governor, Department of Education, Hawaii Association of Independent Schools, Hawaii Institute for Public Affairs, Building Industry Association of Hawaii, Hawai'i Educational Policy Center, The Chamber of Commerce of Hawaii, Hui for Excellence in Education, IMUAlliance, American Society of Civil Engineers Hawaii Section, Harold K.L. Castle Foundation, The Learning Coalition, and four individuals. Your Committee received testimony in opposition to this measure from Life of the Land, Puna Pono Alliance, and six individuals. Your Committee received comments on this measure from the League of Women Voters, Parents for Public Schools of Hawai'i, Sierra Club Hawai'i Chapter, and Windward Ahupua'a Alliance.

Your Committee finds that many school facilities are in dire need of repair, maintenance, and improvement of systems and infrastructure to meet twenty-first century challenges in technology and education. This measure proposes a pilot project as one option

to capture revenues from currently unused or underutilized public school lands that may yield much-needed revenues for Hawaii's schools after redevelopment.

Your Committee further finds that a community-based policy and planning approach will be critical to the success of the pilot program. A three-year pilot project will serve as "proof in concept" to test and evaluate development, design, and financial models, while giving communities the opportunity to provide input and to better understand the concept of community-centered twenty-first century schools.

Your Committee notes that this measure does not exempt the pilot project from procurement requirements and specifically requires that requests for proposals and request for information guidelines be followed. This measure also allows for a leasehold premium based on a competitive bid process.

Lastly, your Committee echoes the testimony it received regarding the need for appropriate funding to be given to the Office of the Lieutenant Governor in order to carry out the public school lands pilot program.

Your Committee has amended this measure by:

- (1) Authorizing the Board of Education to identify and select the potential sites for participation in the pilot program;
- (2) Clarifying that the Board of Education shall be subject to chapter 92, Hawaii Revised Statutes, and shall foster school and community engagement during the identification and selection process;
- (3) Specifying the information that shall be required in the Lieutenant Governor's report to the Legislature, including a summary of the school and community engagement efforts undertaken or that will be undertaken by the Lieutenant Governor and Department of Education in carrying out the public school lands pilot program; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 237, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 237, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Shimabukuro).

**SCRep. 201 Education on S.B. No. 573, S.D. 1**

The purpose and intent of this measure is to authorize a state income tax credit for certain expenses paid or incurred by school teachers during the taxable year.

Your Committee received testimony in support of this measure from the Hawaii State Teachers Association, IMUAlliance, and one individual. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and Hawaii Government Employees Association AFSCME Local 152, AFL-CIO.

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.

Your Committee notes the concerns of the Department of Taxation that based on an extension of certain federal tax deductions allowed for elementary and secondary school teachers, under the 2012 American Taxpayer Relief Act, this measure may allow teachers to receive duplicate tax benefits for the same expenditures.

Your Committee also notes the request of several testifiers to examine whether the tax credit should be expanded to cover certain expenses incurred by educational assistants, vice principals, principals, and public service librarians employed by the Hawaii State Public Library System.

Your Committee has amended this measure by:

- (1) Decreasing the maximum amount of the tax credit from \$500 to \$250; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 573, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 573, 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. 202 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.B. No. 474, S.D. 1**

The purpose and intent of this measure is to require the State and counties to accept duplicate original copies of documents for filing in lieu of the original document.

Your Committees did not receive any testimony on this measure.

Your Committees find that this measure will improve and streamline the process for filing documents with the State and counties without adversely affecting the need for authentic documents.

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 Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 474, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 474, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Chun Oakland).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 203 (Joint) Economic Development, Government Operations and Housing and Human Services on S.B. No. 809, S.D. 1**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds for the construction and improvement of low- and moderate-income housing throughout the State.

Your Committees received testimony in support of this measure from the Community Alliance for Mental Health. Your Committees received comments on this measure from the Department of Budget and Finance and Hawaii Housing Finance and Development Corporation.

Your Committees find that the State continues to have a great need for affordable housing and that the issuance of general obligation bonds is needed to fund the development and rehabilitation of low- and moderate-income housing at various projects throughout the State, some of which are on private land.

The Department of Budget and Finance submitted written testimony commenting that under federal law, tax-exempt general obligation bond proceeds cannot be used to finance projects on private land and that taxable general obligation bonds will be required. The Department of Budget and Finance also commented that appropriations for debt service on the taxable general obligation bonds are also necessary, as public funding is not available in the Executive Budget.

Your Committees have amended this measure by:

- (1) Authorizing the issuance of taxable general obligation bonds;
- (2) Making an appropriation from general funds in the amount of \$21,000,000 for fiscal years 2013-1014 and 2014-2015 for debt service on the taxable general obligation bonds; 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 Economic Development, Government Operations and Housing and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 809, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 809, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).

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

**SCRep. 204 Economic Development, Government Operations and Housing on S.B. No. 21, S.D. 1**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and make appropriations to the Department of Accounting and General Services for the repair and maintenance of the State Capitol reflecting pools.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services; Department of Land and Natural Resources; Historic Hawai'i Foundation; Roth Ecological Design International, LLC; and one individual.

Your Committee finds that although the State Capitol reflecting pools are character-defining features of the State Capitol that contribute to its historic significance, the pools are in dire need of repair and maintenance. They are plagued by persistent algae growth, and water in the pools become stagnant over time due to inadequate filtration and have a propensity to leak into the underlying chamber level below. This measure will develop and implement a plan that will address long-term concerns about the repair and maintenance of the pools while ensuring the historic integrity of the Capitol is preserved.

Your Committee inquired about whether water circulated through the reflecting pools may be used for other purposes, such as irrigation, and is awaiting a response from the Department of Accounting and General Services.

Your Committee has amended this measure by:

- (1) Deleting references to the use of a natural filtration system using aquatic plants for bioremediation and replacing them with language giving the Department of Accounting and General Services flexibility to choose the type of filtration method to be used; 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, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 21, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 21, 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 (Baker, Chun Oakland).

**SCRep. 205 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 312**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to enter into agreements with the Department of Public Safety to provide security services to protect the residents, staff, buildings, and lands of the Authority.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority. Your Committees received comments on this measure from the Department of Public Safety.

Your Committees find that when the federal Weed and Seed Initiative was in effect at Mayor Wright homes public housing complex several years ago, residents saw a significant improvement in their neighborhood. However, the conditions in public housing, of which Mayor Wright homes public housing complex is one example, have since deteriorated. The complex has been the site of shootings and disturbances between the tenants and their neighbors. In addition, there have been several instances of public drunkenness and excessive noise in the complex.

Your Committees further find that the Department of Public Safety does not currently have the infrastructure or personnel to provide the additional services for security of the residents, staff, buildings, and lands of the Hawaii Public Housing Authority. However, the Authority's ability to reimburse the cost of additional deputy sheriff positions and required equipment to provide these services, as proposed in this measure, will allow for this partnership to provide for the safety and security of those in public housing projects.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 312 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.

Human Services

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 206 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 814**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to allow law enforcement officers who would not otherwise be eligible to occupy a state low-income public housing project to reside in a state low-income public housing unit for the purpose of increasing security and safety for the public housing development residents.

Your Committees received testimony in support of this measure from the Department of Public Safety, Hawaii Public Housing Authority, and Community Alliance for Mental Health.

Your Committees find that current federal law allows law enforcement officers to reside in Hawaii's federal low-income public housing communities. However, there is no state law that would allow law enforcement officers to reside in state low-income public housing. By allowing law enforcement officers to reside in state low-income public housing communities, these law enforcement officers would greatly reduce criminal activity on the Hawaii Public Housing Authority's properties through immediate arrest and prosecution capacity, thereby increasing the safety of state low-income public housing communities.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 814 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.

Human Services

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 207 (Joint) Education and Judiciary and Labor on S.B. No. 419, S.D. 1**

The purpose and intent of this measure is to appropriate funds as a grant to the Department of Education for two additional alternative schools to facilitate the ongoing education of juveniles involved in the justice system.

Your Committees received testimony in support of this measure from the Department of Education, Office of Youth Services, Prosecuting Attorney of the City and County of Honolulu, and Hawaii State Teachers Association. Your Committees received comments on this measure from the Hawaii National Guard Youth Challenge Academy and one individual.

Your Committees find that the Department of Education's High Core Program serves students who are identified by their home schools as severely alienated or at-risk. The goal of the High Core Program is to reduce and prevent student dropouts in the school district. In addition to academics, the High Core Program helps these at-risk students develop appropriate socioemotional competencies and other self-development through guidance and counseling activities.

This measure appropriates funds to allow the Department of Education to replicate similar alternative schools in the Leeward and Honolulu districts.

Your Committees have amended this measure by:

- (1) Specifying that the alternative schools shall service at-risk students from all the secondary schools in the respective school districts, who are referred by their home school after all school level resources have been utilized;
- (2) Requiring the alternative schools to offer a variety of programs to meet the students' needs;
- (3) Specifying the criteria that shall be used in identifying participants for the alternative schools;
- (4) Deleting references to "grant-in-aid";
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 419, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 419, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Judiciary and Labor

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

**SCRep. 208 (Joint) Education and Judiciary and Labor on S.B. No. 562, S.D. 1**

The purpose and intent of this measure is to prohibit certain employers from discharging or otherwise discriminating against an employee who is a parent, guardian, or grandparent having custody of one or more children in kindergarten or grades one through twelve for taking time off to participate in the employee's children's school activities; provided that certain requirements are met.

Your Committees received testimony in support of this measure from the Hawaii State Teachers Association, Hawaii State Parent Teacher Association, Community Children's Council, Filipino American Citizens League, Hui for Excellence in Education, Special Education Advisory Council, and two individuals. Your Committees received testimony in opposition to this measure from the Department of Human Resources Development and two individuals. Your Committees received comments on this measure from the Department of Labor and Industrial Relations and The Chamber of Commerce of Hawaii.

Your Committees find that it is crucial that parents be involved in their children's education. Evidence shows that parent involvement improves student achievement. With the constant demand on working families and the need to promote stability and economic security in the home, both parents should have the option of taking leave from their employment for purposes related to their children's education.

Your Committees further find that twelve states currently require employers to allow time for employees to participate in their children's education with California being the most progressive, giving parents who work for businesses with twenty-five or more employees up to forty hours per year to participate in their children's school activities.

However, your Committees believe that further examination into requiring employers to allow time for employees to participate in their children's education is warranted.

Accordingly, your Committees have amended this measure by:

- (1) Deleting sections 2, 3, 4, and 5 of this measure, thereby removing the requirement that employers allow a parent, guardian, or grandparent having custody of one or more children in kindergarten or grades one through twelve to take time off to participate in the employee's children's school activities;
- (2) Inserting language to require the Legislative Reference Bureau to conduct a study on family school leave that examines the feasibility and potential impact of requiring employers to allow parents and guardians of school-aged children to take leave from their employment to participate in their children's educational activities; provided, in part, that the Legislative Reference Bureau shall work with the Department of Labor and Industrial Relations, The Chamber of Commerce of Hawaii, and interested stakeholders, including but not limited to the Hui for Excellence in Education and Hawaii Parent Teacher Student Association, in conducting the study;
- (3) Inserting language to require the Legislative Reference Bureau to submit a report to the Legislature; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 562, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 562, S.D. 1, and be referred to the Committee on Ways and Means.



Signed by the Chairs on behalf of the Committees.

Education

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

Judiciary and Labor

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

**SCRep. 209 (Joint) Commerce and Consumer Protection and Technology and the Arts on S.B. No. 1259, S.D. 1**

The purpose and intent of this measure is to clarify that a license applicant does not have a significant privacy interest in records that show relevant experience, trade examination results, or adequate bonding and makes this information contained in government records subject to disclosure.

Your Committees received testimony in support of this measure from the Iron Workers Stabilization Fund. Your Committees received testimony in opposition to this measure from the Records and Identification Division of the Honolulu Police Department. Your Committees received comments on this measure from the Office of Information Practices.

Your Committees find that this measure clarifies that individuals do not have significant privacy interests in certain records relating to licensing requirements. Because an individual does not have a significant privacy interest in this licensing information, it is public information.

Your Committees further find that this measure amends the Uniform Information Practices Act (Modified), codified as chapter 92F, Hawaii Revised Statutes, by providing that “notwithstanding any law to the contrary”, the disclosure of a record shall not constitute a clearly unwarranted invasion of personal privacy if the public interest in disclosure outweighs the privacy interest. However, your Committees additionally find that this suggested amendment creates conflicts between the Uniform Information Practices Act and other statutes and an inconsistency within the Uniform Information Practices Act itself and should be removed.

Your Committees also find that amendments are necessary to ensure that the proposed exclusions about licensing information pertain only to individuals who currently hold valid licenses, similar to the existing requirements about licensees in the Uniform Information Practices Act.

Accordingly, your Committees have amended this measure by:

- (1) Removing language that would have amended subsection 92F-14(a), Hawaii Revised Statutes;
- (2) Specifying that the licensing information proposed to be excluded from an individual’s significant privacy interest applies to licensees only; 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 Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1259, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1259, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

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

Technology and the Arts

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

**SCRep. 210 (Joint) Commerce and Consumer Protection and Technology and the Arts on S.B. No. 1040**

The purpose and intent of this measure is to require the Public Utilities Commission to consider the value of improving electrical generation, transmission, and distribution systems and infrastructure through the use of advanced grid modernization technology throughout the State.

Your Committees received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; Sierra Club, Hawaii Chapter; and Blue Planet Foundation. Your Committees received testimony in opposition to this measure from Life of the Land.

Your Committees find that this measure provides clear direction to the Public Utilities Commission with respect to grid infrastructure improvements and gives the Public Utilities Commission legislative guidance to consider the implementation of advanced grid modernization technologies as it carries out its duties.

Your Committees further find that advanced grid modernization technologies can provide system operators and consumers with multiple benefits, including improved grid communications, electric system reliability, and operational efficiencies. Smart grid technologies, which are included in advanced grid modernization technology, are also highly critical early stage technologies that can enable the State to meet the renewable portfolio standards requirements under the Hawaii Clean Energy Initiative. This measure ensures that the Public Utilities Commission considers the value of these technologies as a means of improving the State’s electric system.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1040 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.

Commerce and Consumer Protection  
Ayes, 7. Noes, none. Excused, none.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 211 (Joint) Commerce and Consumer Protection and Technology and the Arts on S.B. No. 511**

The purpose and intent of this measure is to clarify the relationship between the Uniform Commercial Code article 4A and the federal Electronic Fund Transfer Act.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and the Commission to Promote Uniform Legislation.

Your Committees find that article 4A of the Uniform Commercial Code, codified as chapter 490:4A, Hawaii Revised Statutes, was originally drafted to govern transfers between commercial parties. At that time, the federal Electronic Funds Transfer Act only governed consumer wire transfers. Because the Uniform Commercial Code section 4A-108 was drafted based on the Electronic Funds Transfer Act's original scope, it excludes any funds transfer governed in any part by the Electronic Funds Transfer Act.

Your Committees further find that amendments made to the Electronic Funds Transfer Act by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 will cause the Electronic Funds Transfer Act to govern a broader category of remittance transfers even if they are not electronic funds transfers under the Electronic Funds Transfer Act. Under the current Uniform Commercial Code section 4A-108, certain types of remittance transfers will not be subject to either Uniform Commercial Code article 4A or the rules applicable to electronic funds transfers under the Electronic Funds Transfer Act. The amendments proposed by this measure are necessary to eliminate the gap in the governing law between the Uniform Commercial Code article 4A and the Electronic Funds Transfer Act.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 511 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.

Commerce and Consumer Protection  
Ayes, 7. Noes, none. Excused, none.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 212 (Joint) Economic Development, Government Operations and Housing and Water and Land on S.B. No. 707, S.D. 1**

The purpose and intent of this measure is to establish a state smart growth public infrastructure policy that requires the Department of Transportation, Department of Education, Department of Health, Department of Accounting and General Services, University of Hawaii, Hawaii Public Housing Authority, and Department of Land and Natural Resources to ensure that their public infrastructure projects meet certain criteria.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which repeals exemptions to various statutory requirements presently held by the Department of Hawaiian Home Lands, Agribusiness Development Corporation, Public Land Development Corporation, Hawaii Tourism Authority, Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, Aloha Tower Development Corporation, High Technology Development Corporation, Hawaii Strategic Development Corporation, Natural Energy Laboratory of Hawaii Authority, Research Corporation of the University of Hawaii, and Hawaii Public Housing Authority, and repeals the Public Land Development Corporation.

Your Committees received testimony in support of the proposed S.D. 1 from the Sierra Club, Outdoor Circle, Life of the Land, and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority; Office of Planning; Department of Hawaiian Home Lands; Department of Defense; Natural Energy Laboratory of Hawaii Authority; Hawaii Strategic Development Corporation; University of Hawaii; Hawaii Tourism Authority; Hawaii Lodging and Tourism Association; High Technology Development Corporation; Research Corporation of the University of Hawaii; Hawaii Community Development Authority; Agribusiness Development Corporation; and Department of Transportation. Your Committees received comments on the proposed S.D. 1 from the Department of Land and Natural Resources; Unite Here! Local Hawaii; League of Women Voters; and six individuals.

Your Committees find that the State needs a comprehensive and integrated approach to utilizing its assets and working with the private sector to expand economic growth in Hawaii. Avoiding duplication in processes and the costs associated with duplicative efforts is imperative. The State has developed a number of corporations and agencies over the past forty years, but there is insufficient coordination among these entities. This has resulted in numerous siloed agencies that operate independently, creating inefficiencies in government. The Department of Land and Natural Resources and other agencies find that existing corporations and agencies are limited in their scope and capabilities, and the lack of coordination and integration prevents them from effectively generating economic growth in Hawaii.

Your Committees further find that the State needs to address critical aging infrastructure issues through upgrades and repairs and lay a solid foundation for new developments. One of the most effective tools in achieving this goal is partnerships between the Department of Land and Natural Resources and federal agencies, counties, or private parties. The Public Land Development

Corporation was intended to facilitate these partnerships. However, strong opposition to the development of state lands and natural resources, including energy resources which could make the State less dependent on outside sources for food and energy, has impeded the work of the Public Land Development Corporation.

Given the need for integrated government approaches critical infrastructural improvements, and strong foundations for economic growth, your Committees recognize the need for further discussion about how to best coordinate and integrate the efforts of government and the private sector to expand economic growth. Your Committees believe that if the Public Land Development Corporation is not the answer, a potential solution may be another corporation or agency such as a Native Hawaiian Economic Development Corporation, which would pursue economic undertakings for native Hawaiians.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Repeal chapter 171C, Hawaii Revised Statutes, the Public Land Development Corporation;
- (2) Make conforming amendments that remove all references in the Hawaii Revised Statutes and Session Laws of Hawaii to the Public Land Development Corporation;
- (3) Return any remaining funds of the Public Land Development Corporation from prior appropriations; and
- (4) Transfer the two positions created by Act 55, Session Laws of Hawaii 2011, to the Department of Land and Natural Resources.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 707, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 707, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Wakai).

Water and Land  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 213 Commerce and Consumer Protection on S.B. No. 1021, S.D. 1**

The purpose and intent of this measure is to clearly provide that directors of a nonprofit corporation shall have access to the books and records of the corporation to the extent reasonably related to their duties.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Hawai'i Alliance of Nonprofit Organizations, and Aloha Society of Association Executives.

Your Committee finds that at common law, directors of corporations have an absolute right of access to corporate records. Although sections of the Hawaii Revised Statutes create a judicially enforceable right for members of membership-based nonprofit corporations to inspect the books and records of the corporation, there is no comparable provision that a director shall have the same reasonable access.

Your Committee further finds that this measure authorizes directors of a nonprofit corporation to have access to corporate records for proper purposes. This ensures meaningful self regulation by directors of the corporation and allows directors to adhere to their statutory duty of care.

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. 1021, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1021, 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 (Taniguchi, Slom).

**SCRep. 214 Commerce and Consumer Protection on S.B. No. 1078, S.D. 1**

The purpose and intent of this measure is to authorize the Hawaii Medical Board to:

- (1) Summarily suspend a license; and
- (2) Require a licensee to submit to a mental or physical examination.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Hawaii Medical Association, and Hawaii Medical Service Association. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that the Hawaii Medical Board and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs have implemented a number of initiatives to improve investigation and handling of complaints against physicians and enhance protection of the State's healthcare consumers. One such consumer protection proceeding is the ability for a licensing authority to summarily suspend a professional license. Your Committee further finds that although licensing authorities are currently able to summarily suspend many different types of licensees, this measure tailors the process for summary suspension to more appropriately address proceedings for physician licensees.

Your Committee additionally finds that this measure will permit the Hawaii Medical Board to remain current with the enforcement and disciplinary proceedings available in other states. Licensing authorities may summarily suspend a license pending disciplinary action in approximately forty-five other states, and may order a licensee to submit to a physical and mental examination in approximately thirty-nine other states.

Your Committee notes that due to Hawaii's small network of professionals, it may be difficult for licensees to come forward with information that could indicate a fellow licensee may be guilty of unprofessional conduct or may be impaired. Your Committee concludes that language providing immunity for these situations should be included in this measure.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the authorization in this measure to summarily suspend a license, hold hearings, and determine if a licensee is able to practice medicine with reasonable skill and safety to patients is provided to the Hawaii Medical Board, rather than the Hawaii Medical Board or its delegates;
- (2) Deleting the authority of the Hawaii Medical Board to summarily suspend a license upon a specific determination that failure to do so would result in misrepresentation upon consumers;
- (3) Specifying that a hearing to show cause why an order of summary suspension should be terminated must be held within seven, rather than ten, business days of receipt of a licensee's request for the hearing;
- (4) Requiring that an order summarily suspending a license shall remain in effect no longer than thirty business days;
- (5) Providing for additional immunities that specify any person licensed by the Hawaii Medical Board who provides information to the Board indicating that a Board licensee may be guilty of unprofessional conduct or may be impaired because of drug or alcohol abuse or mental illness shall not be liable for any damages in any civil action based on the communication; 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. 1078, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1078, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 215 Energy and Environment on S.B. No. 612, S.D. 1**

The purpose and intent of this measure is to require agreements to purchase geothermal and non-fossil fuel energy to contain provisions that provide independent power producers with compensation for excessive curtailment.

Your Committee received testimony in support of this measure from Blue Planet Foundation, Hawaii Solar Energy Association, Life of the Land, Sierra Club Hawaii Chapter, and Indigenous Consultants LLC. Your Committee received testimony in opposition to this measure from Hawaiian Electric Company, Inc. Your Committee received comments on this measure from the Public Utilities Commission and First Wind.

Your Committee finds that the promotion of renewable energy production within the State is essential to the security and stability of Hawaii. Energy costs in Hawaii are among the highest in the nation and independent producers of renewable energy are one of the keys to reducing energy costs and promoting energy independence. Your Committee further finds that independent, renewable energy producers may overstate their prices if they have an expectation of being curtailed by the electric utility without compensation for the curtailment. This measure will require electric utilities to provide compensation to independent producers of renewable energy for excessive curtailment, thereby promoting energy independence and furthering the State's economic and energy security.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 612, 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. 216 Energy and Environment on S.B. No. 19**

The purpose and intent of this measure is to:

- (1) Exempt landlords and lessors who install renewable energy systems on their property and provide or sell power generated from the renewable energy system to an electric utility or lessee or tenant from the definition of "public utility"; and
- (2) Require that the rate schedule charged to the lessee or tenant for the power generated by the renewable energy system is fixed by the lease agreement.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Blue Planet Foundation; Hawaii PV Coalition; Carmel Partners; Forest City Hawaii Residential, Inc.; Castle and Cooke Hawaii; Distributed Energy Partners; and five individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Public Utilities Commission, and Building Industry Association Hawaii.

Your Committee finds that this measure will exempt landlords who install renewable energy systems from the onerous requirements imposed on public utilities and will serve as an incentive for landlords to adopt renewable energy systems and assist the State in meeting its clean energy objectives. Your Committee further finds that this measure will protect tenants by requiring landlords to fix renewable electricity rates in lease agreements.

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. 19 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. 217 (Joint) Energy and Environment and Commerce and Consumer Protection on S.B. No. 988**

The purpose and intent of this measure is to require landlords and lessors of commercial real property to provide disclosure of energy costs to prospective tenants prior to execution of the rental agreement and, upon failure to do so, allow lessees to terminate the rental agreement without liability.

Your Committees received testimony in support of this measure from Sierra Club Hawaii Chapter and Blue Planet Foundation. Your Committees received testimony in opposition to this measure from the Land Use Research Foundation.

Your Committees find that currently landlords and lessors of commercial real property are not required to disclose energy costs to prospective tenants and find that energy costs in the State are among the highest in the nation. Your Committees find that prospective tenants of commercial real property have a right to know the energy costs associated with the rental of a commercial real property space prior to entering into a rental agreement in order to make a fully informed decision.

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. 988 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.

Energy and Environment

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

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Nishihara, Solomon, Taniguchi).

**SCRep. 218 Water and Land on S.B. No. 760**

The purpose and intent of this measure is to make a grant-in-aid to the County of Hawaii for the costs of improvements to Waimea District/Regional Park, to be funded jointly with the County of Hawaii.

Your Committee received testimony in support of this measure from the County of Hawaii Office of the Mayor; County of Hawaii Parks and Recreation Department; Waimea District Builders; Gold Coast Little League Softball; Waimea Table Tennis Club; The Christopher Nance Children's Foundation; North Hawaii Little League; Ho'oNani Place, LLC; Horizon Automotive; North Hawaii Little League; and approximately two hundred individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the population of the Waimea community has nearly tripled in the last twenty or more years and the community has no parks comparable to other communities on the Big Island, although property taxes tend to be higher than normal with the Mauna Kea telescope and other new developments and housing in the district. Additionally, there are three high schools and four middle schools in the region, which is populated by about eight thousand people.

Waimea is also a growing sports community. As of last March, there was a twenty-three percent increase in the County of Hawaii's parks and recreation sports community, which is already active in soccer, football, baseball, little league, softball, rugby, basketball, baseball, volleyball, frisbee, and T-ball. Despite Waimea's vibrant sports community, the district currently has only one small five-acre park in the middle of town. It has one softball field and two small practice fields. Women's softball, men's softball, senior softball, little league from T-ball to seniors, football, soccer, and rugby all share the same field.

The Waimea community has long been lacking in active playing fields for various sports, and for more than twenty years, the community has been promised a park to help all the sports organizations and non-profits to congregate. Without sufficient facilities, it does not have enough space to support the increase of youth and adult sports programs, nor does it have a county gym to support these many youth and adult team sports. Users of the five-acre park often have to change the configuration of a field by moving bases, take out or put back the pitcher's mound, or add or remove striping in the outfield. Often when the ball field is being used by the strong hitting leagues, the practice fields cannot be used for safety reasons. Vehicular parking in and around this small park is very limited. Patrons end up parking in the residential area and walking across busy streets to get to the park. Residents have also had to drive over an hour to host their sporting and community events in another town because the small park cannot accommodate all the groups.

Waimea residents have sought new and better park facilities to keep their children and youth active and engaged in healthy, positive activities and to provide recreational opportunities for seniors and families. A lack of sufficient facilities impacts the children and youth by limiting constructive social activities during non-school hours. Participation in sports is known to save many youth from juvenile delinquency and drug addiction, which are on the rise on the Big Island.

In response to the Waimea community's need, the county of Hawaii has undertaken the construction of improvements to the Waimea District/Regional Park. The Mayor of Hawaii County proposes to jointly fund the project with the State and has committed \$5,975,000 in county funds to the project. This measure will provide the State's portion of funding for the construction of

infrastructure – water, sewer, drainage and power; park access roads; parking lot; drainage dike treatment; one regulation football field; one regulation soccer/rugby field; and one comfort station. The master plan includes active sports fields along with a gymnasium or covered all-weather courts. Land has been set aside by Parker Ranch as part of a condition of zoning.

Your Committee finds that the community benefits of construction and improvements to the Waimea District/Regional Park include meeting growing recreational needs of the community; serving the recreational needs of all ages; consolidating competing field use of the variety of sports, such as baseball, soccer, rugby, and football, into the district park while retaining the existing park for softball and casual park recreation; furnishing a gathering area for youth to enable them to achieve a healthier lifestyle and to lower juvenile delinquency rates; and hosting island-wide and statewide athletic events.

Your Committee further finds that young people are gaining an increasing amount of freedom in many places, and this is often a contributing factor to juvenile delinquency. Instead of leaving young and impressionable minds to their own devices, participation in extracurricular activities can keep youth away from negative influences and teach them valuable characteristics such as commitment and teamwork. An active athletic culture can also go far to reduce obesity. The Waimea community and the County of Hawaii are anxiously awaiting construction of the park, and your Committee believes that the impact of this funding measure will be immeasurable in terms of the social and economic gains to the residents and children of Waimea.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 760 and recommends that 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 (Dela Cruz, Ihara, Thielen).

**SCRep. 219 Water and Land on S.B. No. 51, S.D. 1**

The purpose and intent of this measure is to appropriate funds for the construction of amenities included in the Sand Island Ocean Recreation Park master plan and to appropriate funds to the State Parks Division of the Department of Land and Natural Resources for general management and administration costs.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that state planning in Hawaii needs to be more proactive and comprehensive and more adequately take into account the long-term consequences of plans and decisions.

Long-term planning is aimed at meeting future needs, usually estimated by extrapolation of present or known needs and projecting future desirable scenarios. Comprehensive planning describes a process that determines community goals and aspirations in terms of long-term community development. The outcome of comprehensive planning is a plan which dictates public policy in terms of transportation, utilities, land use, recreation, and housing. Comprehensive plans typically encompass large geographical areas, a broad range of topics, and a long-term time horizon.

Your Committee believes that the appropriation in this measure for the construction of amenities included in the Sand Island Ocean Recreation Park master plan should be a long-term comprehensive master plan.

Your Committee has amended this measure by:

- (1) Adding a purpose section to express legislative preference for planning to take a comprehensive, long-term approach instead of piecemeal, short-term, reactive planning;
- (2) Clarifying that the appropriation for Sand Island is for the construction of amenities to be included in a long-term comprehensive master plan for Sand Island;
- (3) Requiring the Department of Land and Natural Resources and the Sand Island Business Association to negotiate an even, fair, and equitable exchange of Sand Island Industrial Park property for other private properties, to be completed on or before June 30, 2014, and to report their progress in negotiating the exchange quarterly to the Legislature;
- (4) Changing the effective date to upon approval, except for the appropriation sections, which shall be effective on July 1, 2013; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 51, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 51, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ihara, Thielen).

**SCRep. 220 Water and Land on S.B. No. 894, S.D. 1**

The purpose and intent of this measure is to appropriate funds and to authorize the Governor, or the Governor's designee, to continue efforts to acquire certain unimproved lands surrounding a resort property located in Kahuku, Oahu.

Your Committee received testimony in support of this measure from the North Shore Community Land Trust, Trust for Public Land, Hawaii's Thousand Friends, Defend Oahu Coalition, and approximately 243 individuals. Your Committee received testimony in opposition to this measure from Oak Tree Capital Management LLC; McCorriston, Miller, Mukai, MacKinnon LLP; and numerous individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources.

The subject property under negotiation includes the unimproved lands adjacent to the Turtle Bay Hotel and Resort. The subject matter of this measure dates back to the latter years of the previous administration as part of an effort to purchase and protect precious natural resource lands from development. Despite two separate attempts to acquire the land, nothing has been successfully completed, and the purchase is still pending.

Your Committee finds that it is in the public's best interest to protect and preserve Hawaii's historic and cultural heritage. The proposed expansion of the property located in the ahupuaa of Hana Kaeo in Kahuku on the Island of Oahu is contrary to this public interest. Your Committee believes that it is in the public's best interest to continue efforts to acquire the property for preservation by purchasing those lands by means of a voluntary agreement if possible, reserving the right to obtain it by eminent domain if necessary.

Your Committee heard lengthy testimony from interested persons and entities for and against this measure. Oak Tree presented the Committee with the latest update of its development plans. Residents who live in the North Shore area and appeared to testify were generally supportive of the development as an economic development stimulus to the largely rural and undeveloped area. Other residents oppose development on the grounds that the North Shore represents perhaps the last area of undeveloped country land on Oahu.

Your Committee is impressed with the community involvement and input on this issue and can see both sides of the argument. On the one hand, a cogent argument can be made that the Turtle Bay Hotel and Resort is the only major economic stimulus for the area in the form of employment and future affordable housing. On the other hand, the slogan "keep the country country" has merit, particularly when considering the potentially disruptive impact of the expansion on rural lifestyles, particularly impacts of traffic congestion and the undeniable demands on infrastructure improvements such as roads and sewers.

Your Committee is cognizant that residents of the North Shore prefer to live in a rural environment and live there by choice rather than by circumstance. However, the North Shore represents perhaps the last bastion of developable land, which makes the North Shore the symbolic lightning rod on the issue of development and tourism, particularly considering the State's limited industrial potential and its disproportionate reliance on tax revenues.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion on this matter.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 894, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 894, S.D. 1, and be referred to the Committees on Judiciary and Labor and Tourism and Hawaiian Affairs and Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ihara, Thielen).

**SCRep. 221 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.B. No. 67, S.D. 1**

The purpose and intent of this measure is to:

- (1) Create procedural and administrative requirements for law enforcement agencies for eyewitness identifications of suspects in criminal investigations; and
- (2) Grant a defendant the right to challenge any eyewitness identification to be used at trial in a pretrial evidentiary hearing.

Your Committees received testimony in support of this measure from the Community Alliance on Prisons, American Civil Liberties Union of Hawaii, Hawaii Women's Coalition, and one individual. Your Committees received testimony in opposition to this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Office of the Prosecuting Attorney, County of Kauai; the Criminal Investigation Division, Honolulu Police Department, City and County of Honolulu; and the Police Department, County of Hawaii.

Your Committees find that mistaken eyewitness identification has been shown to have contributed to the wrongful conviction in approximately seventy-five percent of the nation's two hundred eighty-nine exonerations. Over the past thirty years, a large body of peer-reviewed, scientific research and practice has emerged showing that simple systemic changes in administering eyewitness identification procedures can greatly improve the accuracy of eyewitness identifications. Your Committees further find that more accurate eyewitness identifications increase the ability of police and prosecutors to convict the guilty and protect the innocent. The people of Hawaii will benefit from the improvement of the accuracy of eyewitness identifications.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2020, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purpose of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 67, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 67, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

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

Technology and the Arts

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

**SCRep. 222 Public Safety, Intergovernmental and Military Affairs on S.B. No. 442, S.D. 1**

The purpose and intent of this measure is to establish a misdemeanor offense of promoting intoxicating liquor to a person under the age of twenty-one for recklessly: selling, offering to sell, influencing the sale, service, delivery, or giving of intoxicating liquor to a person under 21 years or permitting a person under 21 years to possess intoxicating liquor while on property under a liquor licensee's control.

Your Committee received testimony in support of this measure from the Honolulu Police Department, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; and Department of Liquor Control, County of Maui. Your Committee received testimony in opposition to this measure from the Honolulu Liquor Commission.

Your Committee finds that the consumption of liquor by minors continues to be a significant public health issue. The goal of this measure is to ensure that those selling, serving, delivering, or giving intoxicating liquor verify the date of birth of the person receiving the intoxicating liquor, resulting in increased compliance with liquor laws. This measure lowers the standard of care expected from licensees when serving liquor to those of questionable age, from that of knowingly to recklessly, which eases the burden of proof in prosecuting this offense.

Your Committee has amended this measure by deleting its contents and inserting language from H.B. 1060 (Regular Session of 2013), which:

- (1) Amends the existing offense of promoting intoxicating liquor to a person under the age of twenty-one under section 712-1250.5, Hawaii Revised Statutes, to change the state of mind element from "knowingly" to "recklessly"; and
- (2) Amends section 281-78, Hawaii Revised Statutes, to specify that any liquor licensee or its employee that sells, serves, or furnishes any liquor to a minor or allows a minor to consume any liquor shall be guilty of the offense of promoting intoxicating liquor to a person under the age of twenty-one under section 712-1250.5, Hawaii Revised Statutes; and
- (3) Contains a savings clause.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 442, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 442, 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 (Galuteria, Slom).

**SCRep. 223 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1224, S.D. 1**

The purpose and intent of this measure is to require counties to adopt reasonable standards to allow the construction of one single-family dwelling unit and one accessory dwelling unit on each lot where a residential dwelling unit is permitted.

Your Committee received testimony in support of this measure from the Hawaii Appleseed Center for Law and Economic Justice. Your Committee received testimony in opposition to this measure from the Department of Planning and Permitting, City and County of Honolulu. Your Committee received comments on this measure from the County Council, County of Maui.

Your Committee finds that Hawaii's housing costs exceed the national average. The severe affordable housing shortfall has contributed to Hawaii's homelessness rate, which is the third highest among the states. Hawaii's affordable housing crisis requires creative solutions, such as accessory dwelling units. Accessory dwelling units are growing in popularity, and in many cities they are a key component of the city's affordable housing plan. Permitting the construction of accessory dwelling units on land that has already been developed for residential use is an efficient, inexpensive, and sustainable way to create more affordable housing.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2020, to encourage 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1224, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1224, S.D. 1, and be referred to the Committee on Economic Development, Government Operations and Housing.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 224 Public Safety, Intergovernmental and Military Affairs on S.B. No. 855**

The purpose and intent of this measure is to clarify the authority of counties to adopt by ordinance gambling laws that do not conflict with state laws.

Your Committee received testimony in support of this measure from the Hawaii Family Forum, Hawaii Catholic Conference, Hawaii Coalition Against Legalized Gambling, and one individual.

Your Committee finds that Hawaii and Utah are the only two states in the nation where all forms of gambling remain illegal. County governments in Hawaii can effectively prevent gambling in their counties by enacting and enforcing zoning, licensing, and



consumer protection laws. This measure would allow counties to control, deter, or otherwise affect gambling by ordinance in accordance with state law.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 855 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 225 Public Safety, Intergovernmental and Military Affairs on S.B. No. 987**

The purpose and intent of this measure is to require the assessment of impact fees prior to issuance of a water meter and require that impact fees be collected in full before or upon issuance of the water meter.

Your Committee received testimony in support of this measure from the Department of Water, County of Kauai.

Your Committee finds that the current timing of collection of impact fees for water meters in certain counties, such as Kauai, does not allow sufficient flexibility for planning or to account for changes that may be made up until the time the water meters are installed.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 987 and recommends that 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 (Galuteria, Slom).

**SCRep. 226 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1175**

The purpose and intent of this measure is to:

- (1) Update chapter 329, Hawaii Revised Statutes, to make it consistent with amendments in federal law on controlled substances;
- (2) Amend section 329-14, Hawaii Revised Statutes, to add new controlled substances emergency scheduled by the State under section 329-11, Hawaii Revised Statutes; and
- (3) Amend section 329-75(h), Hawaii Revised Statutes, to limit the penalty to violations of section 329-75(g), Hawaii Revised Statutes, relating to pseudoephedrine.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Honolulu Police Department, City and County of Honolulu.

Your Committee finds that due to the growing problem of synthetic hallucinogenic substances being developed for sale to the public as “herbal incense” or “bath salts” in the State, the Department of Public Safety’s Narcotics Enforcement Division, as well as the Federal Drug Administration, have attempted to protect the public by placing in schedule the ever-increasing number of synthetic cannabinoids and cathinones labeled as “not for human consumption” but sold in retail shops with the promise of powerful hallucinogenic legal highs. Last year, state and county law enforcement began discovering a new synthetic cannabinoid being sold throughout the State, UR-144 Tetramethylcyclopropanoylindole, which this measure adds to section 329-14, Hawaii Revised Statutes. This measure also amends section 329-75(h), Hawaii Revised Statutes, to update the corresponding penalties for sales of products, mixtures, or preparations containing pseudoephedrine in order to protect Hawaii’s residents. Your Committee finds that these updates to Hawaii’s Uniform Controlled Substances Act are in the interest of public health and safety.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1175 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. 227 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1180**

The purpose and intent of this measure is to require the Department of Public Safety to:

- (1) Make certain considerations when determining whether a substance should be emergency scheduled; and
- (2) Post a public notice at the State Capitol, in the Office of the Lieutenant Governor, and on the Department’s website thirty days prior to the effective date of any emergency scheduling of a substance.

Your Committee received testimony in support of this measure from the Department of Public Safety and the Department of the Attorney General.

Your Committee finds that section 329-11(e), Hawaii Revised Statutes, permits the Administrator of the Narcotics Enforcement Division of the Department of Public Safety (NED) to place new drugs into the controlled substances schedules on an emergency basis but does not presently contain clear notices provisions. The emergency scheduling provision is important because it allows law enforcement to combat new “designer” drugs that are constantly being created in order to skirt the Uniform Controlled Substances Act.

This measure will require the NED Administrator to provide thirty days’ notice to the public before emergency scheduling goes into effect and clarify where notice is to be posted. The measure also clarifies which factors the Administrator must consider in determining whether to add certain drugs to the controlled substance schedules via the emergency scheduling process. These amendments are necessary to address legal requirements of notice, due process, and delegation powers.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1180 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. 228 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1287**

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 National Guard members' active duty;
- (2) Expand the powers of the Governor and Governor's designee in calling the National Guard into active duty;
- (3) Allow the Adjutant General to order the National Guard and other components of the militia into active service for nonemergency purposes that are necessary and attendant to the mission of the Department of Defense; and
- (4) Expand 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.

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 Tax Foundation of Hawaii.

Your Committee finds that existing law does not require employers to provide insurance coverage for employees who take leave for a purpose other than personal medical reasons. This measure reduces the burden on employers if they choose to maintain an employee's insurance coverage when that employee is ordered to active duty in the National Guard.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1287 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Baker).

**SCRep. 229 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1328**

The purpose and intent of this measure is to appropriate funds to the Department of Defense (DOD) for the civil air patrol.

Your Committee received testimony in support of this measure from the Hawaii Wing Civil Air Patrol and nine individuals.

Your Committee finds that an appropriation to DOD for civil air patrol will support efforts to provide training in search and rescue activities, perform tsunami warning missions, offer aerospace education to cadets, and perform community service. The funds provided to DOD will assure that Hawaii has trained pilots, observers, and scanners who can respond to emergencies.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1328 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Baker).

**SCRep. 230 Human Services on S.B. No. 308, S.D. 1**

The purpose and intent of this measure is to appropriate monies for a grant to establish and operate a comprehensive service center for the deaf, hard of hearing, and deaf-blind.

Your Committee received testimony in support of this measure from the Department of Human Services, Disability and Communication Access Board, Deaf and Hard of Hearing Advisory Board, Deaf Ala Moana Food Group, and twenty individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that a center providing comprehensive services for deaf, hard of hearing, and deaf-blind individuals in Hawaii has been the dream of the deaf community in Hawaii since 1972. The creation of a comprehensive service center is intended to promote individual growth, social awareness, productivity, and equality by empowering deaf, hard of hearing, and deaf-blind persons to be full participants in Hawaii's overall community. Your Committee further finds that the Department of Human Services Division of Vocational Rehabilitation is in the process of establishing a comprehensive service center for clients they serve. Members of the deaf, hard of hearing, and deaf-blind community who are not clients of Vocational Rehabilitation will not be able to participate in center services. This measure will allow the comprehensive service center to serve the entire community of deaf, hard of hearing, and deaf-blind people so that they may all benefit from the center.

Your Committee has amended this measure by:

- (1) Identifying in greater detail the individuals who will benefit from a comprehensive service center;
- (2) Changing the appropriation type from 42F grants to general fund appropriations;
- (3) Inserting an appropriation amount of \$300,000 to the Department of Human Services to establish the comprehensive service center;

- (4) Inserting an appropriation amount of \$300,000 to the Department of Human Services to operate the comprehensive center; 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. 308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 308, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 231 Human Services on S.B. No. 390, S.D. 1**

The purpose and intent of this measure is to appropriate funds for the social services programs formerly funded under the temporary assistance for needy families program.

Your Committee received testimony in support of this measure from the Department of Education; the Office of Community Services; the Hawaii Youth Services Network; KEY Project; the Hawaii State Coalition Against Domestic Violence; Hale Opio Kauai, Inc.; HACBED; the Community Alliance for Mental Health; Women Helping Women; and Planned Parenthood of Hawaii. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that it is imperative that the State address the conditions that keep our citizens in poverty or push them toward poverty. Teen pregnancy, illiteracy, and lack of family cohesion are three areas that can be targeted through the reinstatement of funding to programs that arm participants with the skills and abilities necessary to change behaviors and develop self-sufficiency.

Your Committee further finds that UPLINK is an after-school program for middle-school students in Hawaii that keeps youth actively involved in their school and community, allows youth to exercise daily, explores academic and career opportunities for youth, teaches youth how to prepare healthy meals, keeps youth engaged in positive activities, and reduces opportunities to engage in negative lifestyle choices. The focus of the program, as mandated by the Department of Human Services, is to provide a safe and nurturing environment to those immediate hours after school, from 2:30 to 5:30 p.m., when students may be tempted to engage in "risky" behaviors. UPLINK accepts all students who want to participate and whose parents have registered them for the program at their individual schools.

Your Committee further finds that UPLINK encourages students to make sound decisions in regards to sexual activity and drugs, learn how to be respectful of others, nurture relationships, develop competencies that can be carried into later experiences, and make contributions to the community. In five years, no middle school pregnancies have occurred among students participating in the program. The program also provides academic and remediation support to students in grades six, seven, and eight, providing optional high interest activities that focus on developing positive character traits in what schools refer to as the 5C's: character, confidence, competence, connection, and contribution. Fourteen of the schools reported that students in the program passed all their classes in the ninety to one hundred percent range.

Your Committee has amended this measure by deleting its contents and inserting language to describe the UPLINK program and its funding needs and appropriate an unspecified amount of funds to the Department of Human Services for non-school hour positive youth programs, an UPLINK administrator in the Department of Education, and other UPLINK staffing 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. 390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 390, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 232 Agriculture on S.B. No. 591, S.D. 1**

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds to fund capital improvements on the former Galbraith Estate property.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation, Office of Hawaiian Affairs, Hawaii Farm Bureau Federation, Local Food Coalition, Ulupono Initiative, and Hawaii Cattleman's Council. Your Committee received comments from the Department of Budget and Finance.

Your Committee finds that this measure will provide the capital necessary to make improvements and develop the Galbraith Estate land recently acquired by the State for agricultural endeavors.

Your Committee has amended this measure by clarifying that the State acquired over 1,700 acres of land from the Galbraith Estate, 1,207 acres of which was acquired by the Department of Agriculture and the rest of which was acquired by the Office of Hawaiian Affairs.

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. 591, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 591, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

**SCRep. 233 Agriculture on S.B. No. 737, S.D. 1**

The purpose and intent of this measure is to establish a farmers' market operator license to ensure that greater than fifty percent of vendors in farmers' markets sell food, farm produce, or flowers prepared, grown, or produced in Hawaii.

Your Committee received testimony in support of this measure from Hui O Malama Aina and one individual. Your Committee received testimony in opposition to this measure from the Ala Moana Farmers Market, Haleiwa Farmers Market, and three individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that consumers generally recognize farmers' markets as a venue where vendors sell locally produced or prepared food or agricultural products. In some farmers' markets throughout the State, however, vendors are selling imported agricultural products or products bought from wholesalers, which misleads consumers who believe they are purchasing locally grown products from a farmer. Your Committee further finds that requiring farmers' market operators to be licensed and to ensure that fifty percent of the market's vendors sell locally produced items will be difficult to monitor and enforce and will place a strain on the Department of Agriculture.

Your Committee concludes, however, that truth-in-advertising in farmers' markets is an important public concern and has amended this measure by:

- (1) Removing the farmers' market operator's licensing requirement;
- (2) Removing the requirement that fifty percent of vendors at farmers' markets sell locally grown food and products;
- (3) Requiring that all agricultural products sold at farmers' markets are displayed with a sign or label containing an identity statement declaring the products' geographic origin; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 737, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 737, 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. 234      Agriculture on S.B. No. 1283, S.D. 1**

The purpose and intent of this measure is to authorize the Director of Finance to issue general obligation bonds to finance improvements to the Kekaha ditch system, East Kauai irrigation system, Ka'u irrigation system, and Waiahole irrigation system.

Your Committee received testimony in support of this measure from the Department of Agriculture, Agribusiness Development Corporation, Hawaii Farm Bureau Federation, Local Food Coalition, and Hawaii Cattlemen's Council. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that these funds are necessary to maintain and improve the State's critical irrigation systems to ensure a reliable supply of water for crops.

Your Committee has amended this measure by:

- (1) Appropriating funds from the State's general fund, rather than general obligation bonds, to improve the Kekaha ditch system and East Kauai irrigation system; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1283, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1283, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (English, Slom).

**SCRep. 235      (Joint) Agriculture and Economic Development, Government Operations and Housing on S.B. No. 733, S.D. 1**

The purpose and intent of this measure is to permit the Agribusiness Development Corporation to purchase bonds issued by county or state agencies.

Your Committees received testimony in support of this measure from the Agribusiness Development Corporation. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that permitting the Agribusiness Development Corporation to purchase bonds issued by a county or state agency will provide financial flexibility to use funds to support the economic health and stability of the Corporation.

Your Committees further find that permitting the Agribusiness Development Corporation to invest funds as needed to earn income while the funds are idle will also benefit the Corporation.

Accordingly, your Committees have amended this measure by:

- (1) Adding language permitting the Agribusiness Development Corporation to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in such investments as may be lawful for fiduciaries in the State; 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 Agriculture and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 733, as

amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 733, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 6; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Dela Cruz).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 236 (Joint) Agriculture and Public Safety, Intergovernmental and Military Affairs on S.B. No. 681, S.D. 1**

The purpose and intent of this measure is to establish a temporary food security task force in the Department of Agriculture to develop an emergency food plan that addresses certain food security issues.

Your Committees received testimony in support of this measure from the Hawaii Organic Farming Association, Hui O Malama Aina, Hawaii Crop Improvement Association, and five individuals. Your Committees received testimony in opposition to this measure from nine individuals. Your Committees received comments on this measure from the Department of Agriculture and one individual.

Your Committees find that the State must be prepared for a catastrophic event that could prevent cargo ships or aircrafts from reaching the State. For the health and safety of its citizens, the task force is necessary to identify an emergency food plan to feed the State should the State become isolated from the rest of the world.

After discussion, your Committees concluded that the Executive Director of the National Disaster Preparedness Training Center at the University of Hawaii would be better suited to act as Chairperson of the task force.

Your Committees have amended this measure by:

- (1) Placing the task force in the National Disaster Preparedness Training Center at the University of Hawaii for administrative purposes;
- (2) Naming the Executive Director of the National Disaster Preparedness Training Center at the University of Hawaii, or the Executive Director's designee, as Chairperson of the task force;
- (3) Retaining the Chairperson of the Board of Agriculture as a member, rather than the Chairperson, of the task force; and
- (4) Adding the Hawaii Organic Farming Association; Hawaii Longline Association; Taro Security and Purity Task Force; Hawaii Aquaculture and Aquaponics Association; and Hawaii Crop Improvement Association as invited members of the task force.

As affirmed by the records of votes of the members of your Committees on Agriculture and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 681, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 681, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Wakai).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 237 (Joint) Agriculture and Education and Higher Education on S.B. No. 592, S.D. 1**

The purpose and intent of this measure is to appropriate funds to operate and implement the Future Farmers of America and 4-H programs.

Your Committees received testimony in support of this measure from the Department of Agriculture, Hawaii 4-H Livestock Association, Kohala Center, Lahainaluna Future Farmers of America, Hawaii Association of Independent Schools, Hui O Malama Aina, Hawaii Farm Bureau Federation, Local Food Coalition, Ulupono Initiative, Hawaii Cattlemen's Council, National Future Farmers of America Organization, and four individuals. Your Committees received testimony in opposition to this measure from Animal Rights Hawaii and one individual.

Your Committees find that it is imperative that the State engage youth in agricultural education programs, such as 4-H and Future Farmers of America, to promote interest in agricultural endeavors. This is exceptionally critical at this time given that the average age of farmers in the State is approximately sixty years, and promoting the next generation of farmers is a critical step toward increasing Hawaii's self-sustainability and food resiliency.

After discussion, Your Committees recommend that if your Committee on Ways and Means elect to schedule this measure for a hearing that they solicit comments from the Department of Education and the University of Hawaii regarding the amount of funds needed and the feasibility of the agencies to implement the foregoing programs. Your Committees are concerned that the appropriation expended for these two programs will be insufficient to fulfill this measure's mandate.

Your Committees have amended this measure by:

- (1) Deleting the specific appropriation amounts in sections 2 and 3 of the measure;
- (2) Specifying in section 2 that the appropriation is for the Department of Education to fund the Future Farmers of America program only;

- (3) Specifying in section 3 that the appropriation is for the University of Hawaii College of Tropical Agriculture and Human Resources to fund the 4-H program only; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Agriculture and Education and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 592, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 592, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (English, Wakai, Slom).

Education

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

Higher Education

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

**SCRep. 238 Technology and the Arts on S.B. No. 997, S.D. 1**

The purpose and intent of this measure is to clarify the duties of the State Archivist, to enable the Department of Accounting and General Services to address the management of the digital archives and protection of electronic records of enduring value, and to establish the state archives preservation and long-term access special fund.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that as a centralized repository of records requiring long-term preservation and access, the digital archives will reduce costs by eliminating duplicated services; deliver better services to the public by centralizing access to archival digital records; assist agencies in addressing the difficulty of the long-term preservation of digital records; and provide greater accountability and transparency by preserving digital records in a trustworthy repository following international standards. The digital archives will enable the State Archives to fulfill its statutory mandate to properly administer a records management program that includes records created digitally, and to ensure their ongoing preservation for future generations.

Your Committee has amended this measure by:

- (1) Adding definitions of “disposition”, “enduring value”, “preservation”, “records”, and “records retention and disposition schedule”;
- (2) Inserting a state archives preservation fee amount of \$1;
- (3) Clarifying that the state archives preservation fee shall be assessed on documents that are listed on an authorized records retention and disposition schedule as permanent;
- (4) Specifying that the state archives preservation fee shall be used, among other things, to keep electronic records of documents accessible; 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 997, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 239 Technology and the Arts on S.B. No. 1281, S.D. 1**

The purpose and intent of this measure is to make an appropriation for operating expenses of the Kahilu Theatre in Waimea, Hawaii, in the form of a grant from the State Foundation on Culture and the Arts.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts, Waimea Middle Public Conversion Charter School, and numerous individuals.

Your Committee finds that funding for the Kahilu Theatre was discontinued last year due to the economic recession, forcing management to close its doors. The Kahilu Theatre is highly valued by the community since it functioned as both a presenter of professional performing arts events, including music, dance, and theatre, and as a producing organization for youth productions. The arts and music education provided through the Kahilu Theatre is very important to the local public school children because there are insufficient arts and music education opportunities in their schools.

Your Committee has amended this measure by:

- (1) Deleting the specific amount of the appropriation; 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1281, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1281, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 240 (Joint) Economic Development, Government Operations and Housing and Commerce and Consumer Protection on S.B. No. 504, S.D. 1**

The purpose and intent of this measure is to prohibit clauses requiring design professionals to defend governmental bodies in procurement contracts that are exclusively for the services of design professionals unless the liability arises from the design professional's fault.

Your Committees received testimony in support of this measure from the American Society of Civil Engineers; American Council of Engineering Companies; Limtiaco Consulting Group; Group 70 International; Insurance Factors; Hilo Direct Consultants, LLC; Architectural Diagnostics, Ltd.; Island Pacific Architecture, Inc.; Wiss, Janney, Elstner Associates, Inc.; Sarwar Structural Engineering Consulting Services; Engineering Concepts, Inc.; Inatsuka Engineering, LLC; Kennedy/Jenks Consultants; Wesley R. Segawa and Associates, Inc.; Kauahikua & Chun; URS Corporation; KAI Hawaii, Inc.; Belt Collins Hawaii, LLC; SSFM International, Inc.; HDR Engineering, Inc.; Austin, Tsutsumi & Associates, Inc.; Shimokawa Nakamura, Inc.; Weston Solutions, Inc.; Bills Engineering, Inc.; Riehm Owensby Planners Architects; Shimabukuro, Endo & Yoshizaki, Inc.; Design Partners Incorporated; Luersen Architects, Inc.; ECS, Inc.; Design Partners Incorporated; Santo Engineers, LLC; HiArch, LLC; AKTA, Ltd.; Yogi Kwong Engineers, LLC; Makai Ocean Engineering, Inc.; Helber Hastert & Fee Planners, Inc.; Fukunaga & Associates, Inc.; WSP Hawaii, Inc.; Shigemura, Lau, Sakanishi, Higuchi and Associates, Inc.; Miyabara Associates, LLC; Thermal Engineering Corporation; Hirata & Associates, Inc.; Akinaka & Associates, Ltd.; Brown and Caldwell; and two individuals. Your Committees received testimony in opposition to this measure from the Hawaii Insurer's Council and the General Contractors Association of Hawaii. Your Committees received comments on this measure from the State Procurement Office.

Your Committees find that existing law permits clauses in procurement contracts of \$1,000,000 or more that require design professionals to defend governmental bodies for the liability of others such as contractors and subcontractors. Large contracts are typically in excess of \$1,000,000, but even projects that are less than \$1,000,000 can reach or exceed \$1,000,000 due to amendments to the contract.

Your Committees find that design professional liability insurance only covers damages or injuries caused by a design professional's negligence and will not advance the cost of defending other parties before the negligence of the design professional is established or cover damages caused by other parties. Thus, the design professional is placed in the position of having to pay upfront to defend the governmental body for the liability of others out of the design professional's own pocket. Moreover, unlike contractors or subcontractors, design professionals may be held personally liable because they hold personal licenses.

These risks are often unacceptable for smaller design professional firms in Hawaii, which are not in a position to self-insure or to bear the risk. Your Committees received testimony that due to these risks, smaller local firms have declined to work on government contracts of \$1,000,000 or more.

Your Committees find that the existing law poses unreasonable risks to design professionals and discourages them from working on government contracts. This results in less choice and competition, adversely affecting the long-term interests of the State and the public. This measure will redress the problem by prohibiting defense clauses in any government procurement contract exclusively for the services of design professionals unless the liability arises from the design professional's negligence or fault.

Your Committees have amended this measure by:

- (1) Amending the definition of a "governmental body" to exclude business entities retained or contracted by a public entity to manage or administer a contract for the entity; and
- (2) Making technical, nonsubstantive amendments to section 1 to reflect that the measure pertains to defense, rather than indemnification, clauses in government procurement contracts.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 504, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 504, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (English).

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Solomon, Taniguchi).

**SCRep. 241 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 1234**

The purpose and intent of this measure is to:

- (1) Repeal part III of Act 240, Session Laws of Hawaii 2012, which repealed the High Technology Innovation Corporation (HTIC); and
- (2) Exempt HTIC from chapter 103D, Hawaii Revised Statutes, the Hawaii Public Procurement Code.

Your Committees received testimony in support of this measure from the High Technology Development Corporation and High Technology Innovation Corporation.

Your Committees find that HTIC was established as a not-for-profit corporate body to leverage its tax deductible status and serve as a vehicle to receive donations from the private sector. This provides access to new forms of funding usually not available to state agencies, such as foundation monies and donations from businesses previously assisted by the High Technology Development Corporation. Further, HTIC can serve as an entity to house a proof of concept center, a significant objective of the Governor's HI Growth Initiative.

HTIC's structure combined with the HI Growth Initiative will more easily allow private and public community resources to be pooled, leverage each others' strengths, and coordinate efforts toward the growth and development of the commercial high technology industry in Hawaii. HTIC can also be used to foster inter-agency collaboration and allow for a more holistic approach to economic development.

Your Committees further find that exempting HTIC from the procurement code will aid it in facilitating more public-private funding opportunities.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1234 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.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 242 (Joint) Education and Transportation and International Affairs on S.B. No. 1082**

The purpose and intent of this measure is to repeal statutory language specifying considerations and provisions the Department of Education must follow when contracting for student transportation.

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 the Auditor.

Your Committees find that student transportation costs have escalated in recent years. In November 2012, the Student Bus Transportation Study Final Report commissioned by the Department of Education found that, among other things, statutory requirements on contract terms hindered the Department's ability to maximize its resources and set contractual terms to help control escalating costs. This measure will allow the Department of Education greater flexibility in setting contract terms and defining student transportation eligibility parameters to improve delivery of services and contain rising costs.

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 S.B. No. 1082 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.

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

Transportation and International Affairs  
Ayes, 8; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, 1 (Slom).

**SCRep. 243 (Joint) Education and Economic Development, Government Operations and Housing on S.B. No. 1083**

The purpose and intent of this measure is to amend section 103-55(c), Hawaii Revised Statutes, to make wage certification inapplicable to contracts to provide transportation services for school children.

Your Committees received testimony in support of this measure from the Department of Education and one individual.

Your Committees find that student transportation costs have escalated in recent years. In November 2012, the Student Bus Transportation Study Final Report commissioned by the Department of Education found that, among other things, statutory compensation requirements on transportation contracting services have a direct impact on the costs and efficiency of the Department of Education's transportation systems because they establish a minimum bus driver salary. This measure will allow school bus vendors to compete for student transportation contracts without the constraint of complying with labor cost requirements, which would generate significant savings for the State.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1083 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.

Education  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

Economic Development, Government Operations and Housing



Ayes, 4. Noes, none. Excused, 3 (Baker, English, Wakai).

**SCRep. 244 Technology and the Arts on S.B. No. 1001**

The purpose and intent of this measure is to replace the Comptroller with the Chief Information Officer (CIO) as a member of the Enhanced 911 Board.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Office of Information Management and Technology, and T-Mobile.

Your Committee finds that the Enhanced 911 Board was created to oversee the implementation of Enhanced 911 service by wireless and Voice over Internet Protocol connection service providers and the public safety answering points. The Board's duties include collecting assessments from the connection service providers and overseeing disbursements to public safety answering points to upgrade and maintain the Enhanced 911 system, which is vital to identify and locate 911 callers. Now that the State has a full-time CIO to provide the overall direction and vision for information technology, having the CIO as a member of the Enhanced 911 Board aligns the Board's responsibilities with the State's strategic vision.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1001 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 (Gabbard, Tokuda).

**SCRep. 245 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1230**

The purpose and intent of this measure is to expand the exceptions on the use of a government motor vehicle for personal use to include an officer or employee of any county board of water supply, rather than only the Board of Water Supply of the City and County of Honolulu.

Your Committee received testimony in support of this measure from the Department of Water, County of Kauai.

Your Committee finds that county employees on neighbor islands should not be treated differently than county employees in Honolulu when operating government motor vehicles under personal use exceptions. This measure provides the employees of the various boards of water supply with a more equitable government motor vehicle policy.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1230 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 (Galuteria, Slom).

**SCRep. 246 Commerce and Consumer Protection on S.B. No. 1079**

The purpose and intent of this measure is to:

- (1) Amend the definition of "small employer" in the Insurance Code; and
- (2) Apply producer licensing requirements to insurers, health maintenance organizations, and mutual benefit societies.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Medical Service Association, Hawai'i Primary Care Association, and Board of Directors of the Hawai'i Health Connector.

Your Committee finds that this measure will make Hawaii's insurance laws consistent with the federal Health Insurance Portability and Accountability Act of 1996 and the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act).

Your Committee further finds that small employers will be able to buy health insurance from the Hawaii health insurance exchange, known as the Hawaii Health Connector, starting in 2014. "Small employer" is currently defined in the Hawaii Revised Statutes as an employer who employs between one and fifty employees. In 2016, under the Affordable Care Act, the definition of "small business" will expand to one hundred employees or fewer. This measure conforms the state definition of "small employer" to the Affordable Care Act's definition of "small business" and therefore ensures broader participation in the Hawaii Health Connector. Your Committee notes that discrepancies currently exist within the federal law itself and between federal and state laws with respect to the definition of an "employee". However, federal regulations to resolve these discrepancies are anticipated to be finalized this spring, and any potential impact on this measure can hopefully be resolved at that time.

Your Committee additionally finds that under the Affordable Care Act, health insurers will be able to offer health insurance through the Hawaii Health Connector. For the protection of the public, this measure requires health insurance producers who sell health insurance to be licensed the same way other insurance producers are licensed.

As affirmed by the record of votes of the members of 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. 1079 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 247 Commerce and Consumer Protection on S.B. No. 1075**

The purpose and intent of this measure is to mandate that physical therapists practicing in Hawaii obtain a minimum number of continuing competence units and submit evidence of continuing competence at every renewal period, beginning with the December 31, 2016, renewal period.

Your Committee received testimony in support of this measure from the Board of Physical Therapy and Hawaii Chapter of the American Physical Therapy Association. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that physical therapy is a dynamic health care profession. Your Committee further finds that physical therapists have an increasing role in the public health arena and play a vital role in the development of standards of practice and health care policies. In today's world of quickly changing health care, consumers and patients have the right to assume and expect that their health care provider's current license indicates competence to practice.

Your Committee additionally finds that Hawaii is one of only three states that do not statutorily authorize the state boards of physical therapy to require continuing education or continuing competence of its licensees. This measure requires physical therapist licensees to accumulate thirty units of approved continuing competence in each two-year license cycle. This requirement ensures that physical therapists will remain current in the profession and will practice in a safe, ethical, and legal manner.

As affirmed by the record of votes of the members of 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. 1075 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 248 Commerce and Consumer Protection on S.B. No. 423**

The purpose and intent of this measure is to amend references to the "American College of Obstetric and Gynecology" to "American College of Obstetricians and Gynecologists".

Your Committee received testimony in support of this measure from the Office of the Auditor.

Your Committee finds that this measure makes technical nonsubstantive amendments in two sections of the Hawaii Revised Statutes that incorrectly reference the "American College of Obstetric and Gynecology". Your Committee notes that the correct name of the organization that issues guidelines for in vitro fertilization clinics is the "American College of Obstetricians and Gynecologists".

As affirmed by the record of votes of the members of 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. 423 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 249 (Joint) Education and Public Safety, Intergovernmental and Military Affairs on S.B. No. 48**

The purpose and intent of this measure is to remove:

- (1) A representative from the Department of Education from the membership of the Aerospace Advisory Committee; and
- (2) The Department of Education from the list of state agencies with responsibilities relating to marine and coastal zone management.

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 Department of Business, Economic Development, and Tourism; and five individuals. Your Committees received comments on this measure from Enterprise Honolulu and one individual.

Your Committees find that the Department of Education is required to participate in a number of different boards, commissions, advisory groups, and task forces. These obligations are in addition to and may at times absorb time and energy that the Department could otherwise spend advancing its core mission of providing primary education to over 177,000 of Hawaii's keiki.

However, your Committees note the Department of Education's willingness to continue to assist the Aerospace Advisory Committee by providing guidance or entering into partnerships to help the Aerospace Advisory Committee promote aerospace development within the State.

As affirmed by the records of votes of the members of your Committees on Education and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 48 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.  
  
Education  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).  
  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Baker).

**SCRep. 250 Commerce and Consumer Protection on S.B. No. 913, S.D. 1**

The purpose and intent of this measure is to:

- (1) Require a time share plan's disclosure of the financial obligation of the purchaser to consist of a statement that the purchaser is obligated to pay the initial price in the purchase agreement and a list or description of any additional charges;
- (2) Clarify that a sales or acquisition agent is not required to provide any promotional device or instrument to a prospective purchaser prior to making a sales presentation; and
- (3) Repeal the prohibition on selling, offering to sell, advertising for sale, or otherwise offering to give away any tourist activity with the purpose of inducing a person to purchase a time share plan or to attend a time share marketing event.

Your Committee received testimony in support of this measure from the American Resort Development Association and Wyndham Vacation Ownership. Your Committee received testimony in opposition to this measure from the Activities & Attractions Association of Hawaii, Jack Harter Helicopters, and Fair Wind Cruises. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure eliminates the requirement for a time share developer to provide a price list in the disclosure statement that must be filed with the Department of Commerce and Consumer Affairs. Hawaii is one of only two states that require this type of filing, and this requirement is cumbersome for developers as a price list may change on a weekly basis, from one transaction to another, or during negotiations. Your Committee further finds that because the actual price a purchaser pays for a time share interval may not be the price listed in the disclosure statement, requiring a price list in the disclosure statement does not necessarily provide a purchaser with accurate information. This measure amends requirements for the disclosure statement while still providing a prospective purchaser adequate disclosure of their financial obligation.

Your Committee has heard the concerns over the amendment in this measure that would permit timeshare sellers to offer activities at a reduced price to prospective purchasers in exchange for attendance at a timeshare marketing event. Existing law prohibits the sale of tours below the net cost of the activities provided to the time share entity. Removing this prohibition may result in an unfair trade advantage for those entities willing to deeply discount attractions or activities.

Your Committee notes that the intent of this measure was to increase operational efficiencies in the time share industry. It was not intended to undermine the abilities of tour operators, sales agencies, or providers of visitor activities and attractions to regulate ticket prices for their own tours, activities, or attractions. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Removing the repeal on the prohibition on selling, offering to sell, advertising for sale, or otherwise offering to give away any tourist activity with the purpose of inducing a person to purchase a time share plan or to attend a time share marketing event; 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. 913, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 913, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 251 Commerce and Consumer Protection on S.B. No. 507, S.D. 1**

The purpose and intent of this measure is to create notice requirements for meetings of a planned community association or its board of directors.

Your Committee received testimony in opposition to this measure from Community Associations Institute Hawaii Chapter and four individuals.

Your Committee finds that this measure would impose a fourteen-day notice requirement for any meeting of an association or its board of directors. Your Committee has heard the concerns that the meeting requirements under this measure may set a higher standard for community associations than is currently imposed for condominium associations. Your Committee also understands that the board of directors and committees of a planned community association may need the flexibility to make decisions on an immediate basis for emergency operation matters or litigation-related issues.

Your Committee is sympathetic to these concerns but concludes that it is appropriate and reasonable for a planned community association to provide notice to its members for specific association meetings.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that the notice requirement under this measure shall apply to regular annual meetings or special meetings of an association, rather than any meeting of an association or its board of directors;
- (2) Specifying that written notice shall also include any proposal for a special assessment, unless the authority for a special assessment is otherwise provided for in the association's governing documents;
- (3) Clarifying that the requirements of this measure shall not be interpreted to apply to any board meetings or committee meetings of a planned community association;
- (4) Updating the purpose section for clarity; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure is the result of a compromise with interested stakeholders.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 507, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 507, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, none.

**SCRep. 252 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 456, S.D. 1**

The purpose and intent of this measure is to transfer in fee simple Mauna Kea State Recreational Area from the Department of Land and Natural Resources to the County of Hawaii on January 1, 2014.

Your Committees received testimony in support of this measure from the County of Hawaii. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that the jurisdiction over the Mauna Kea State Recreational Area, which is located on the Island of Hawaii, should rightfully rest with the County of Hawaii as the more appropriate government administrative entity. According to testimony of the Department of Land and Natural Resources, the State and the County of Hawaii had previously worked to develop agreements to effectuate this transfer in 2010.

Your Committees note that this measure includes transfer of jurisdiction provisions to address concerns raised in testimony. It is not the intent of your Committees that this measure in any way impinge upon or interfere with the operations, funding, and activities of the Mauna Kea Observatories.

Your Committees have amended this measure by inserting the tax map key number of the property to be transferred.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 456, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 456, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land  
Ayes, 4; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 253 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.B. No. 1170, S.D. 1**

The purpose and intent of this measure is to provide alternative civil enforcement options that may be utilized by the Board of Land and Natural Resources in the processing of natural and cultural resource violation cases.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Indigenous Consultant LLC/Innovations Development Group, and Nature Conservancy. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Society for Hawaiian Archeology.

Currently, under section 171-6, Hawaii Revised Statutes, the Board of Land and Natural Resources may levy administrative fines and order encroachment removal and damage restoration for violations of natural and cultural resource laws and regulations. Your Committees find that in many cases the use of these means may not be feasible or optimal.

This measure provides flexibility to the Department of Land and Natural Resources and resource law violators. According to the Department of Land and Natural Resources, the community services in remedial or non-remedial actions responding to resource violations will be imposed only with the prior consent of all the parties involved and will not incur any potential liabilities to the State. This measure encourages parties to voluntarily come into compliance and to proactively address the violations in every way possible and available to them. It will also promote the Department's efficiency by saving the time and cost otherwise needed in enforcement actions. Further, it will promote the participation of various community-based non-profit organizations in partnering with the Department on resource protection and management projects.

Your Committees have amended this measure by:

- (1) Requiring the Board of Land and Natural Resources to adopt rules to implement each of the additional powers contained in this measure to address concerns raised at the hearing on this measure; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental 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. 1170, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1170, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Judiciary and Labor  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 254 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1361**

The purpose and intent of this measure is to transfer in fee simple certain property located adjacent to or near Banyan Drive in Hilo, Hawaii, to the County of Hawaii on January 1, 2014.

Your Committees received comments on this measure from the Department of Land and Natural Resources and County of Hawaii. Your Committees received testimony in opposition to this measure from the Hawaiian Affairs Caucus of the Democratic Party of Hawaii.

Your Committees find that the jurisdiction over the Banyan Drive properties located on the Island of Hawaii should rightfully rest with the County of Hawaii as the more appropriate government administrative entity.

Your Committees note that Banyan Drive itself was transferred to the County of Hawaii by Land Office Deed dated July 16, 1969, according to records of the Department of Land and Natural Resources.

Your Committees have amended this measure by:

- (1) Authorizing the transfer of the subject properties as a legislative mandate, rather than through an executive order issued by the Governor;
- (2) Identifying the specific properties along Banyan Drive to be transferred to the County of Hawaii; 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 and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1361, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1361, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 255 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.B. No. 1007**

The purpose of this Act is to amend Act 82, Session Laws of Hawaii 2003 (Act 82), relating to public land liability, to amend and clarify the definition of "improved public lands."

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of the Attorney General, Corporation Counsel of the City and County of Honolulu, and eleven individuals. Your Committees received testimony in opposition to this measure from Hawaii Association for Justice.

Act 82 established a process in which the State and counties are provided protection from liability on improved public lands when certain requirements are met. This measure ensures that the intent of the Legislature to limit the liability of the State, as well as to preserve the natural beauty of the parks for the use and enjoyment of the public, is accomplished. This measure balances the State's interest in posting warnings at developed and maintained locations where it expects public access against the competing interest of preserving access to the natural beauty of the undeveloped areas of the park system by limiting the State's liability consistent therewith.

Act 82 as currently written, does not distinguish between parks and trails constructed, owned, and maintained by the State and counties and other lands that, although part of the state park system, are unimproved and not maintained by the State or counties. This measure would clarify that the State or counties do not have a duty to warn of dangerous natural conditions on public land that is part of the park system if the land is unimproved and not developed or maintained by the State or county.

This measure also defines and excludes "voluntary trails" from the definition of "improved public lands" since these unofficial trails and routes are created by members of the public without the knowledge or permission of the State or counties.

Your Committees have amended this measure by:

- (1) Deleting the reference to public beach park in the definition of "improved public lands" on the recommendation of the Corporation Counsel of the City and County of Honolulu; 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 and Land and Public Safety, Intergovernmental 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. 1007, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1007, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Judiciary and Labor

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 256 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 102**

The purpose and intent of this measure is to:

- (1) Require a financial institution to report suspected financial abuse against an elder to the appropriate county police department, rather than the Department of Human Services, under certain conditions immediately by telephone and then followed by a written report sent via electronic mail;
- (2) Repeal the Department of Human Services as the contact agency responsible for determining whether the Department has jurisdiction over the elder involved; and
- (3) Require all financial institutions to develop and implement a training program for their employees regarding the reporting requirements for suspected financial abuse of an elder.

Your Committees received testimony in support of this measure from the Department of Human Services, Executive Office on Aging, Hawaii Credit Union League, and Hawaii Bankers Association. Your Committees received testimony in opposition to this measure from the Honolulu Police Department.

Your Committees find that elder financial exploitation is a growing problem in Hawaii. Financial abuse of elders is frequently accompanied by physical and emotional abuse. It is a complex problem with criminal and social components that speak to the need of a multidisciplinary solution. The reporting of financial exploitation through the most appropriate and efficient channel and the resulting timeliness of the investigation are crucial to the protection of assets as well as the health and safety of the victim.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting language from S.B. No. 1098, which:
  - (A) Requires financial institutions to report suspected financial abuse against an elder to the appropriate county police department, rather than the Department of Human Services, immediately by telephone, or as soon as practicably possible, and by written report sent within two business days; and
  - (B) Amends the definition of "financial abuse" to mean to take, appropriate, obtain, or retain, or assist in taking, appropriating, obtaining, or retaining, real or personal property of an elder adult by any means, including undue influence, for a wrongful purpose or with intent to defraud the elder adult; 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 Human Services and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 102, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 102, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 257 (Majority) Energy and Environment on S.B. No. 1143**

The purpose and intent of this measure is to:

- (1) Establish the environmental review special fund;
- (2) Establish fees to enhance the activities of the Office of Environmental Quality Control;
- (3) Authorize the Office to expend monies out of the environmental review special fund;
- (4) Support and maintain technology systems for the Office;
- (5) Support outreach, training, education, and research regarding environmental stewardship; and
- (6) Provide for the hiring of adequate staff for the Office.

Your Committee received testimony in support of this measure from the Environmental Council; Office of Hawaiian Affairs; and Sierra Club, Hawaii Chapter. Your Committee received testimony in opposition to this measure from The Chamber of Commerce of Hawaii and Building Industry Association of Hawaii.

Your Committee finds that general fund appropriations have not kept pace with the expanding workload of the Office of Environmental Quality Control, which has resulted in longer wait times for public and private projects. Operations are further hampered by an outdated information technology infrastructure.

Your Committee further finds that the establishment of fees, rule-making authority, and a special fund will provide a revenue stream that roughly correlates with demand and creates enhanced flexibility to meet evolving needs as sensitivity to environmental impacts grow.

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

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1143, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1143, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 258 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 582**

Recommending that the Senate advise and consent to the nomination of the following:

DIRECTOR OF THE DEPARTMENT OF PUBLIC SAFETY

G.M. No. 582 THEODORE I. SAKAI, for a term to expire 12/1/2014

Your Committee has reviewed the personal history, experience, and statements submitted by the nominee and finds Theodore I. Sakai to possess the requisite qualifications to be appointed to the position of Director of Public Safety.

Your Committee received testimony in support of the appointment of Theodore I. Sakai from the Governor; United States Attorney, District of Hawaii; United States Marshal Service; Department of the Attorney General; Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; Department of Human Resources Development; Department of Health; Department of Transportation; Department of Defense; Department of Land and Natural Resources; Hawaii Paroling Authority; Office of Information Management and Technology; Office of Hawaiian Affairs; Maui County Council; Maui Economic Opportunity, Inc.; United Public Workers; Going Home Consortium; Department of Corrections, Commonwealth of Virginia; Office for Social Ministry; Good Beginnings Alliance; and numerous individuals.

Theodore I. Sakai received his Bachelor of Arts degree in Political Science and his Master of Business Administration degree from the University of Hawaii at Manoa. Mr. Sakai has worked continuously in the criminal justice field for over forty-three years. Mr. Sakai has served as the interim Director of Public Safety since June 1, 2012, when he was appointed by the Governor. He previously served as the Director of Public Safety from 1998 to 2002.

As Director, Mr. Sakai's accomplishments include reducing the level of brutality in Hawaii's correctional facilities; fostering interagency collaboration around issues of substance abuse treatment, intermediate sanctions, and mentally ill offenders; establishing working relationships with community groups on the neighbor islands; implementing a management accountability system within the Department of Public Safety; reducing overtime by twenty-seven percent while base salaries increased; and reducing salary overpayments to virtually zero.

Mr. Sakai has held several other positions with the Department of Public Safety over the years, including Program Planning Office Administrator, Corrections Division Administrator, Correctional Program Services Administrator, Chief of Staff for the Director, Deputy Director for Corrections, Administrative Assistant to the Director, and Warden of the Waiawa Correctional Facility. Prior to his appointment as Director of Public Safety, Mr. Sakai served as a probation officer for the First Circuit Court.

In addition to his work for the State, Mr. Sakai has also been involved with non-profit work. He served as the Executive Director of a non-profit agency that provided a variety of services to criminal offenders. His work experience includes acting as a consultant to the Going Home Consortium and the Good Beginnings Alliance for the "Supporting Keiki of Incarcerated Parents" program. Mr. Sakai also served as the co-chair of the Task Force on Children of Incarcerated Parents. Mr. Sakai is currently a member of the Board of Directors of the Hawaiian Legacy Foundation, Read to Me International, and Hawaii Council for the Humanities.

Testimony submitted in support of Mr. Sakai's appointment commend his knowledge in, experience in, and skill set to improve and address public safety issues in Hawaii. Many testifiers observed that Mr. Sakai has a wide and deep range of professional experience gained through working for the Department of Public Safety. Several testifiers noted that Mr. Sakai has worked hard to protect the safety of Hawaii's communities by reducing recidivism and encouraging inmates to participate in available programs. Your Committee finds that Mr. Sakai is a true professional and epitomizes the modern corrections administrator who strives to provide progressive and humane care for inmates, while at the same time protecting the public safety.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 259 Commerce and Consumer Protection on S.B. No. 198**

The purpose and intent of this measure is to amend section 457-8.5, Hawaii Revised Statutes, to recognize and adopt the National Council of State Boards of Nursing's consensus model by clarifying language relating to advanced practice registered nurse educational requirements.

Your Committee received testimony in support of this measure from the Hawaii State Center for Nursing; University of Hawai'i at Manoa School of Nursing and Dental Hygiene; University of Hawai'i at Hilo School of Nursing; University of Hawai'i Maui College Nursing Program; The Queen's Medical Center; St. Francis Healthcare System of Hawaii; Healthcare Association of Hawaii; Hawai'i Pacific Health; Pali Momi Medical Center; Prime Care Services Hawaii, Inc.; Hawai'i Association of Professional Nurses; American Organization of Nurse Executives, Hawai'i Chapter; and sixteen individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the State Board of Nursing.

Your Committee finds that under existing state law, advanced practice registered nurses may only be recognized if they receive a master's degree in certain nursing fields. This precludes recognition of nurses who earn a Doctor of Nursing Practice degree and other nationally recognized clinical doctorates in nursing, which directly impacts Doctor of Nursing Practice graduates of the University of Hawaii at Manoa School of Nursing and the University of Hawaii at Hilo School of Nursing. The master's degree requirement also impedes other states' advanced practice registered nurses with clinical doctorates from practicing in the State.

Your Committee further finds that every state except Hawaii accepts a graduate degree instead of a master's degree for advanced practice registered nurse licensure and certification. This measure will bring Hawaii into alignment with the rest of the country and with the National Council of State Boards of Nursing's consensus model for advanced practice registered nurses.

As affirmed by the record of votes of the members of 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. 198 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 260 Commerce and Consumer Protection on S.B. No. 531**

The purpose and intent of this measure is to require premises with liquor licenses to have a sign posted on or about the premises, including but not limited to the women's restroom, that provides customers with a warning of the risks of birth defects and fetal alcohol spectrum disorders for women drinking alcohol during pregnancy.

Your Committee received testimony in support of this measure from the Department of Health, March of Dimes Foundation Hawaii Chapter, and Family Voices of Hawai'i. Your Committee received testimony in opposition to this measure from the Hawaii Bar Owners Association. Your Committee received comments on this measure from the Department of Accounting and General Services.

Your Committee finds that fetal alcohol syndrome disorder is the umbrella term used to describe a range of disorders caused by prenatal alcohol exposure. Your Committee further finds that alcohol exposure during pregnancy produces the most serious neurobehavioral effects in a fetus. There is no known safe amount of alcohol or safe time to drink alcohol during pregnancy.

Your Committee additionally finds that fetal alcohol syndrome disorder is preventable. Prevention starts with awareness that drinking alcohol during pregnancy is associated with increased risks of having a child with life-long disabilities. Several studies have shown that alcohol warning signs raise awareness about the risk of drinking during pregnancy and may reduce alcohol consumption among light to moderate drinkers.

Your Committee notes that because the amendments proposed by this measure relate to advertisements and signs upon licensed liquor establishments, they are outside of the Comptroller's jurisdiction. Amendments to this measure are therefore needed to preserve the existing authority of the county liquor commissions over advertisements and signs in or about licensed premises.

Accordingly, your Committee has amended this measure by:

- (1) Replacing all references to the term "comptroller" with the term "liquor commission"; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 531, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 531, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 261 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.B. No. 695**

The purpose and intent of this measure is to allow privately funded industrial hemp research to be conducted in Hawaii under certain conditions.

Your Committees received testimony in support of this measure from the Drug Policy Action Group and one individual. Your Committees received testimony in opposition to this measure from the Department of Public Safety, Honolulu Police Department, and Maui Police Department. Your Committees received comments on this measure from the Office of Information Practices.

Your Committees find that Act 305, Session Laws of Hawaii 1999, allowed privately funded industrial hemp research to be conducted in Hawaii subject to certain conditions. Act 305 was allowed to sunset on June 30, 2005. This measure will again allow privately funded industrial hemp research to be conducted in Hawaii under certain conditions. Your Committees find that hemp has



been and continues to be used for industrial purposes and that there is a need for hemp research. This measure will be economically beneficial to the State while still providing the necessary security safeguards to prevent the illegal growing of marijuana.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 695 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.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Chun Oakland).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 262 Technology and the Arts on S.B. No. 614**

The purpose and intent of this measure is to appropriate funds for the Comptroller and the State Foundation on Culture and the Arts to commission permanent works of art to honor the late U.S. Senator Daniel K. Inouye and the late U.S. Representative Patsy T. Mink.

Your Committee received testimony in support of this measure from the State Foundation of Culture and the Arts.

Your Committee finds that the contributions of the late U.S. Senator Daniel K. Inouye and the late U.S. Representative Patsy T. Mink to the people of Hawaii merit works of art to honor their legacies. This measure honors the memory of the late U.S. Senator Inouye and the late U.S. Representative Mink by portraying their legacies in perpetuity to inspire current and future generations.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 614 and recommends that 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 (Tokuda, Slom).

**SCRep. 263 Technology and the Arts on S.B. No. 679**

The purpose and intent of this measure is to appropriate funds to the Department of Accounting and General Services for the State Foundation on Culture and the Arts to support the Artists in the Schools program.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts.

Your Committee finds all public schools, including charter schools, are eligible to apply to the State Foundation on Culture and the Arts for grants for artist residencies. The Artists in the Schools program increases opportunities for arts education and experiences, as well as using art form to support other core curriculum areas, such as language arts, math, social studies, and science.

Your Committee has amended this measure by deleting the appropriations that were to alleviate the impact of previous reductions in general fund appropriations to the State Foundation on Culture and the Arts and to the educational efforts in cultural preservation through partnerships with the Edith Kanaka'ole Foundation, University of Hawaii Center for Biographical Research, PBS Hawaii, and the Maui Arts and Cultural Center.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 679, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 679, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 264 Technology and the Arts on S.B. No. 1003**

The purpose and intent of this measure is to authorize the Chief Information Officer to conduct or cause to be conducted security audits, which may include reviews of physical security practices, of all executive government agencies regarding the protection of government databases and data communications and to direct remedial actions as necessary.

Your Committee received testimony in support of this measure from the Office of Information Management and Technology, Department of Human Resources Development, Department of Accounting and General Services, Department of Transportation, and Referentia Systems.

Your Committee finds that protecting Hawaii's information and data is a top concern in today's cyber world. The Office of Information Management and Technology has developed a comprehensive business and information technology/information resource management transformation plan and has identified security and privacy as one of the plan's top ten initiatives. The Office plans to provide a singular vision for information assurance and data protection, unify cyber security and information practices statewide, and implement best practices. Your Committee finds that the authority of the Chief Information Officer should be expanded to ensure the security of state government information and the data communications infrastructure from unauthorized uses, intrusions, or other security threats.

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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1003, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 265 (Joint) Technology and the Arts and Public Safety, Intergovernmental and Military Affairs on S.B. No. 941**

The purpose and intent of this measure is to require the State and counties to approve, approve with modification, or disapprove all broadband-related permits within sixty business days of submitting a permit application and a fee and to specify that the application will be automatically approved if there is no action taken on the sixty-first day.

Your Committees received testimony in support of this measure from the Public Utilities Commission; Department of Commerce and Consumer Affairs; Department of Land and Natural Resources; Hawaiian Electric Company, Inc.; and Hawaiian Telecom.

Your Committees find this measure supports the deployment of high-speed broadband infrastructure in Hawaii and streamlines the permit application process under the State's broadband initiative.

Your Committees have amended this measure by:

- (1) Extending the maximum processing time from sixty business days to one hundred twenty business days, allowing a more reasonable timeframe to complete an adequate review of proposed projects;
- (2) Deleting language that exempts the State and counties from any liability on account of actions or results from reviewing, approving, modifying, or disapproving a broadband-related permit application;
- (3) Requiring that a public utility shall use reasonable efforts to comply with all applicable safety and engineering requirements relating to the installation, improvement, construction, or development of infrastructure relating to broadband service or broadband technology;
- (4) Clarifying that the development of broadband service infrastructure, as referenced in the definition of "broadband-related permits", is limited to the landing of an undersea communications cables, not all undersea cables; 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 Technology and the Arts and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 941, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 941, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

Ayes, 3; Ayes with Reservations (Tokuda). Noes, none. Excused, 2 (Gabbard, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

**SCRep. 266 (Joint) Water and Land and Judiciary and Labor on S.B. No. 1168**

The purpose and intent of this measure is to clarify under the State Tort Liability Act that no public entity or public employee shall be liable to any person for injury or damage sustained on government land when engaged in mountain climbing, rock climbing, rappelling, and bouldering.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, State Attorney General, Access Fund, and Change.org. Your Committees received testimony in opposition to this measure from Hawaii Association for Justice and numerous individuals.

Your Committees find that there has been an increasing trend in public recreation throughout the United States and Hawaii to pursue the activities of bouldering, rock climbing, rappelling, and related activities that require special skills and equipment and specific geologic features with unique qualities. The Department of Land and Natural Resources has jurisdiction of approximately two million acres of land and does not have the staff to monitor all potential locations of rock climbing, which could literally be anywhere in any park. The mountain and rock climbing areas are often in remote areas, sometimes only accessible through private property. It would not be possible, feasible, or desirable for the State to erect fences, post signs, or limit access to all of the potential remote and unmanaged areas that members of the public may use to engage in climbing activities.

Because of the dangers inherent in climbing activities, injuries and accidents are inevitable, and the State will continually be open to lawsuits. Without this measure, the best option following an accident or injury is often to permanently close off the area and prevent any access by the public because there is no other way for the State to eliminate risk of injury. This is a disservice to the public. The preferred action is not to close off sites, prohibit access, and impose fines when the public access a prohibited area; however, there may not be much choice if the State can be sued for every injury that occurs as a result of these climbing activities.

Your Committees have amended this measure by:

- (1) Defining rock climbing using the definition of the United States National Park Service and defining bouldering; 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 and Land and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1168, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1168, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

Judiciary and Labor

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

**SCRep. 267 (Joint) Economic Development, Government Operations and Housing and Water and Land on S.B. No. 747**

The purpose and intent of this measure is to improve ocean recreation safety for the public and establish fair standards for all parasail and thrill craft permit holders.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Roberts Hawaii; Diamond Head Parasail and Watersports; Pacific Ocean Sports, LLC dba Hawaiian Ocean Thrills; and six individuals. Your Committees received testimony in opposition to this measure from the Ocean Tourism Coalition and UFO Chuting of Hawaii, Inc.

Your Committees find that the definition of “thrill craft” under the boating laws in chapter 200, Hawaii Revised Statutes, does not cover certain newer types of thrill craft, including one similar to a jet ski known as an “aqua quad.” This has resulted in the use of unregulated thrill craft in ocean recreation areas, which poses a safety issue for ocean users and potential concerns for the environment. This measure amends the definition of a thrill craft to cover these newer types of thrill craft.

Your Committees also find that existing laws regulating commercial parasailing operations allow a parasail permit holder to operate one parasail vessel per permit. However, the Department of Land and Natural Resources testified that one operator has been operating one parasail vessel while flying its passengers engaged in parasailing, with a second vessel standing by ready to operate as soon as the first vessel has completed flying its passengers. Although the operator is using only one parasail vessel at a time for flying passengers per permit, the operator is effectively operating more than one parasail vessel at a time under one permit, raising safety concerns as well as concerns about an imbalanced playing field amongst parasail permit holders. Your Committees find it necessary to clarify that the operation of more than one parasail vessel in state waters, regardless of whether both vessels are being actively operated for flying passengers, is prohibited under a single permit.

Your Committees have amended this measure by adding language to:

- (1) Specify that the operation of more than one parasail vessel in state waters at any given time under one permit is prohibited; and
- (2) Limit this restriction to counties with populations of 700,000 or more.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 747, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 747, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Chun Oakland, Wakai).

Water and Land

Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 268 (Joint) Commerce and Consumer Protection and Transportation and International Affairs on S.B. No. 495**

The purpose and intent of this measure is to implement the recommendations of the Insurance Verification Working Group, including:

- (1) Establishing a working group to assist in development of requests for proposals and vendor selection for a motor vehicle insurance verification program;
- (2) Establishing a special fund to fund the development and operation of a motor vehicle insurance verification program and requiring a portion of certain monies to be deposited into the special fund;
- (3) Increasing the annual motor vehicle registration fee;
- (4) Removing duplicative and unnecessary requirements for insurance identification cards and safety inspection requirements; and
- (5) Removing judges’ discretionary authority to suspend a fine for failure to have insurance if a defendant later obtains insurance.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Judiciary, State of Hawaii; Division of Motor Vehicle, Licensing and Permits Administration, City and County of Honolulu; Honolulu Police Department, Traffic Division; Hawaii Insurers Council; and Property Casualty Insurers Association of America. Your Committees received testimony in opposition to this measure from State Farm Mutual Automobile Insurance Company and GEICO. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that this measure implements the recommendations of the Insurance Verification Working Group, which was convened by the State Insurance Commissioner pursuant to Senate Concurrent Resolution No. 97, S.D. 1, Regular Session of 2012. In

formulating its recommendations, the Insurance Verification Working Group held eight public meetings, gathered information about insurance verification systems established in other states, and reviewed civil and criminal statutory provisions pertaining to uninsured motorists.

Your Committees further find that this measure contains many of the ideas the Insurance Verification Working Group vetted and discussed during the public meetings. This measure also establishes a working group to assist with the development of a web-based system to track insured vehicles, increases fines for violators, and contains other cost effective and efficient means to identify uninsured motorists in Hawaii.

Your Committees have amended this measure by:

- (1) Specifying that the working group shall be attached to the Department of Commerce and Consumer Affairs;
- (2) Specifying that the motor vehicle insurance verification program shall adhere to industry standards as prescribed by the Insurance Industry Committee on Motor Vehicle Administration;
- (3) Requiring the working group to provide recommendations on ways to exclude commercial vehicles from the motor vehicle insurance verification program and an alternative means of reporting requirements for small insurers;
- (4) Deleting language that would have established the motor vehicle insurance verification special fund and required a portion of certain monies to be deposited into the special fund, and instead requiring the allocated portion of motor vehicle registration fees to be deposited to the credit of the compliance resolution fund and the allocated portion of fines to be deposited into the general fund;
- (5) Restoring judges' discretionary authority to suspend a fine for failure to have insurance if a defendant later obtains insurance; 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 Commerce and Consumer Protection and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 495, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 495, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

Ayes, 5; Ayes with Reservations (Wakai, Slom). Noes, none. Excused, 2 (Nishihara, Taniguchi).

Transportation and International Affairs

Ayes, 6; Ayes with Reservations (Espero, Slom). Noes, none. Excused, 3 (Dela Cruz, Gabbard, Kouchi).

**SCRep. 269 (Joint) Tourism and Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1097**

The purpose and intent of this measure is to clarify and confirm the counties' ownership of and responsibility for certain existing sewer transmission lines and facilities servicing Hawaiian Home Lands.

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, Papakolea Community Development Corporation, and two individuals. Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Environmental Services.

Your Committees find that certain counties do not accept responsibility for maintaining or repairing the sewer systems located on Hawaiian home lands despite the fact that residents on Hawaiian home lands pay the same utility fees as residents outside of Hawaiian home lands who receive repair and maintenance services from the counties. Accordingly, your Committees find that this measure is necessary to clarify that the counties are responsible for repairing and maintaining sewer systems located on Hawaiian home lands.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1097 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.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 270 Transportation and International Affairs on S.B. No. 444**

The purpose and intent of this measure is to expand the definition of "habitual operator of a vehicle while under the influence of an intoxicant" to include persons with a conviction within the last ten years of the offense of habitually operating a vehicle under the influence of an intoxicant.

Your Committee received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, Office of the Maui Prosecuting Attorney, Maui Police Department, and Mothers Against Drunk Driving. Your Committee received testimony in opposition to this measure from the State Public Defender and one individual.

Your Committee finds that under existing law, a person has the status of a habitual operator of a vehicle while under the influence of an intoxicant if the person was convicted three or more times within ten years for offenses of operating a vehicle under the influence of an intoxicant prior to conviction of the instant offense. This measure makes one or more convictions of habitually operating a vehicle while under the influence punishable to the same extent as three or more prior convictions of operating a vehicle under the influence of an intoxicant. The intent of this measure is to tighten the laws on drunk driving and to close a possible loophole.

Your Committee has amended this measure by clarifying the language, on recommendation of the Maui Prosecuting Attorney.

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. 444, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 444, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, none. Excused, 1 (Slom).

**SCRep. 271 (Majority) Judiciary and Labor on S.B. No. 381**

The purpose and intent of this measure is to:

- (1) Limit the number of certified candidates that the Campaign Spending Commission certifies to participate in the pilot comprehensive public funding for elections to the Hawaii council program under Act 244, Session Laws of Hawaii 2008 (Act 244); and
- (2) Amend the formula for computing the base amount of public funding for the primary and general elections by using the average amount spent by the winning candidates in the previous two elections for every district, rather than the same district, reduced by ten percent.

The Campaign Spending Commission submitted comments on this measure.

Your Committee finds that the pilot comprehensive public funding for elections to the Hawaii council program under Act 244 tests the viability of comprehensive public funding of elections by limiting comprehensive public funding to a single county for three election years. According to the testimony submitted by the Campaign Spending Commission, in 2010 and 2012, only eight candidates were funded under Act 244 during each election year. In anticipation that this measure may increase participation in the pilot program, the Commission requested an appropriation to fund the pilot program.

Furthermore, the Commission commented that this measure provides certified candidates with the same amount of public funding no matter which district they run in rather than in the same district of the winning candidate in the previous two elections. Under this measure, the base amount of public funding for the 2014 elections for certified candidates in all districts will be \$13,106.10 for the primary election and \$3,237.97 for the general election.

Your Committee believes that the possible fiscal impact of this measure merits further discussion by your Committee on Ways and Means if that Committee chooses to schedule this measure for a hearing.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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. 381, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 381, 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. 272 (Majority) Judiciary and Labor on S.B. No. 1288**

The purpose and intent of this measure is to allow an employee to use family leave time 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; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; United Public Workers, AFSCME Local 646, AFL-CIO; International Longshore and Warehouse Union, Local 142; and three private individuals. Testimony in opposition to this measure was submitted by the Department of Public Safety, Department of Human Resources Development, The Chamber of Commerce of Hawaii, and Society of Human Resource Management – Hawaii Chapter.

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 employee's 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.

However, the Department of Public Safety testified that this measure may significantly impact the Department's operations because a significant percentage of its staff is already on family leave. Extending family leave to employees to care for their siblings may further increase the amount of family leave privileges exercised by staff thereby impacting the Department's twenty-four-hours, seven-days-a-week operational requirements. Furthermore, the Department of Human Resources Development testified that operations with limited resources will likely incur an increase in overtime costs in order to maintain their level of service to the public. Your Committee believes that this issue and its potential fiscal impact merit further discussion by your Committee on Ways and Means.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1288, S.D. 1, and be 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. 273 (Majority) Judiciary and Labor on S.B. No. 854**

The purpose and intent of this measure is to require all state residents to vote by mail in all elections. Specifically, this measure:

- (1) Requires the Office of Elections to develop and implement a statewide voting modernization program that requires all registered voters to vote by mail starting in 2016 for all elections held in the State;
- (2) Requires the Office of Elections to determine the sufficient number of polling places to be made available on election day to accommodate voters without a permanent address, provide for election day voter registration and voting, and receive ballots that are deposited by voters in lieu of mail delivery;
- (3) Requires the Office of Elections to submit a written report to the Legislature prior to the convening of the 2014 Regular Session regarding the status of program implementation, any operational problems, and any proposed legislation; and
- (4) Appropriates a specified sum for fiscal years 2013-2014 and 2014-2015 to be expended by the Office of Elections to implement a statewide voting modernization program.

Your Committee received testimony in support of this measure from the League of Women Voters, American Civil Liberties Union of Hawaii, and two private individuals. Testimony in opposition to this measure was submitted by five private individuals. Your Committee received comments on this measure from the Office of Elections; Office of the County Clerk, County of Hawai'i; Office of the County Clerk, County of Maui; and Office of the County Clerk, County of Kaua'i.

Your Committee finds that Hawaii has a hybrid voting system, whereby voting in person and voting by mail are allowed. This measure would require voters to vote by mail for all elections held in the State, while still providing certain means for people who cannot vote by mail, choose not to return their ballots by mail, or are not registered to vote as of election day to vote on election day. Voting by mail will encourage and increase active participation in the electoral process, especially for individuals who find it difficult to get to the polls on election day due to family, work, or other obligations.

However, your Committee notes the comments submitted by the County Clerks of Hawaii, Maui, and Kauai who indicated in written testimony that establishing a vote-by-mail process may be difficult to implement. Identifying and implementing an efficient, expeditious, and cost-effective process for handling the huge volume of outgoing and incoming mail pieces will be a challenge that may require a complete overhaul of their current operations. Furthermore, the County Clerks indicated their concerns that allowing for election day voter registration may place an additional burden on poll workers who are volunteers and may not be experienced in resolving issues regarding voter residency. Lastly, the Office of the County Clerk of the County of Hawaii questioned whether the specified appropriation amount is sufficient to hire personnel and acquire the processing space and equipment necessary to implement voting by mail statewide for all elections beginning in 2016.

Therefore, your Committee believes that this measure is cost prohibitive and has serious concerns about whether it is feasible to implement a statewide mail-in voting program without sufficient funding and limited resources. However, your Committee believes that the dialogue regarding funding feasibility should be continued by your Committee on Ways and Means if that Committee chooses to schedule this measure for a hearing.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 854, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 854, 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. 274 (Majority) Judiciary and Labor on S.B. No. 1057**

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 employees of collective bargaining unit (10) and their excluded counterparts.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by:

- (1) Inserting specific monthly employer contribution amounts for each employee-beneficiary with zero, one, or two or more dependent-beneficiaries;
- (2) Inserting a specific amount that each employee-beneficiary enrolled in the trust fund group life insurance plan is required to pay per month to reflect one hundred percent of the monthly premium and administrative fees; and
- (3) Applying these amounts retroactively to July 1, 2011.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds that the public employer and the exclusive representative for collective bargaining unit (10) were at an impasse in collective bargaining negotiations regarding contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii employer-union health benefits trust fund health benefit plan premiums for the employees of collective bargaining unit (10) and their excluded counterparts. Because an agreement could not be reached regarding the employer contribution amounts to the trust fund, the public employer is required by law to submit its recommendation for contributions to the Legislature. This proposed S.D. 1 establishes the public employer's recommended contributions designed to effectuate fifty percent employer contribution levels for collective bargaining unit (10) and their excluded counterparts. These rates are identical for employees in other collective bargaining units under existing collective bargaining agreements.

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. 1057, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1057, 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. 275      Judiciary and Labor on S.B. No. 1249**

The purpose and intent of this measure is to clarify the law relating to trustee compensation. Specifically, this measure:

- (1) Allows the trustee and beneficiaries to agree on a higher compensation without requiring the approval of the court;
- (2) Entitles corporate trustees to fees under their published fee schedules instead of the fee schedule under statute;
- (3) Establishes a tiered annual principal fee that decreases for larger estates and makes adjustments for inflation;
- (4) Clarifies who is entitled to inception and termination fees, how and when these fees are calculated, and when these fees are to be paid; and
- (5) Allows the trustee and beneficiaries to agree on special service fees without seeking court approval.

Your Committee received testimony in support of this measure from the individual attorney members serving on the Judiciary's Committee on the Uniform Probate Code and Probate Court Practices.

Your Committee finds that many Hawaii residents have revocable living trusts to help manage their affairs if they become incapacitated and provide for the disposition of their assets at death. While the settlor of a revocable trust usually serves as trustee until incapacity or death, the trust document designates successor trustees who will then manage the assets for the settlor and the settlor's beneficiaries. Most trusts provide that the trustee is entitled to reasonable compensation but do not specify a dollar amount or other formula to determine reasonable compensation.

The compensation set forth under existing law is deemed to be reasonable. However, while the settlor and trustee may negotiate for higher compensation, the beneficiaries of an irrevocable trust are not allowed to do the same. This measure allows the trustee and beneficiaries to agree on a higher compensation without requiring the approval of the court, thereby reducing the need for court intervention.

Second, the statutory fee schedule under existing law may not be appropriate for a corporate trustee that has various departments and staff providing trust services. Because there is competition in the marketplace, the reasonableness of a corporate trustee's fees can be determined by the market where the consumer is able to use another trust company if the consumer determines that a corporate trustee's charge for services is too high. This measure entitles corporate trustees to fees under their published fee schedules instead of the fee schedule under statute.

Third, under existing law, a trustee is entitled to a one-half percent annual principal fee on all assets no matter the size of the estate and does not include an inflation provision. This measure provides a tiered annual principal fee that decreases as the estate becomes larger. The annual principal fee is also adjusted for inflation.

Fourth, existing law provides for a one percent inception fee and a one percent termination fee. There have been many disputes regarding who is entitled to these fees, how and when these fees are calculated, and when these fees are to be paid. This measure clarifies that the one percent inception fee is to be paid to the first non-settlor trustee and to the first new trustee of any other trust created after the settlor's death or under the terms of the administrative trust in order to prevent payment of multiple inception fees to multiple successor trustees. Furthermore, this measure clarifies that the one percent termination fee is based upon the value of the trust assets as of the date the trust instrument states that the trust terminates; not as of the date the final trust distribution is made.

Lastly, existing law requires court approval of all special service fees. A trustee is entitled to extra fees for special services, such as preparing tax returns, buying or selling real estate, and handling litigation. This measure allows the trustee and beneficiaries to agree on special service fees without seeking court approval, thereby reducing the need for court intervention.

Your Committee has amended this measure by adopting the amendments proposed by the individual attorney members serving on the Judiciary's Committee on the Uniform Probate Code and Probate Court Practices by:

- (1) Clarifying that the tiered annual principal fee schedule is in ascending order by size of the trust;
- (2) Inserting an effective date of January 1, 2014, to recognize that most trusts account on a calendar year basis; 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. 1249, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1249, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 276 (Majority) Judiciary and Labor on S.B. No. 885**

The purpose and intent of this measure is to provide a dispute resolution mechanism to address the employer share of contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Specifically, this measure:

- (1) Authorizes parties to use arbitration to resolve impasses or disputes relating to the State and counties' contributions to the Hawaii Employer-Union Health Benefits Trust Fund;
- (2) Repeals the procedures parties are required to follow after an arbitration panel issues a decision and the understanding that members of collective bargaining units are prohibited from striking on the issue of State and county contributions to the Hawaii Employer-Union Health Benefits Trust Fund; and
- (3) Makes housekeeping amendments relating to the scope of negotiations.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO and Hawaii Fire Fighters Association. Testimony in opposition to this measure was submitted by the Department of the Attorney General, University of Hawaii System, and one private individual.

Your Committee finds that existing law lacks a dispute resolution mechanism to address the employer share of contributions to the Hawaii Employer-Union Health Benefits Trust Fund. Under existing law, if the employer and exclusive representative cannot agree on the employer contribution amount, the pro rata share is determined by the Legislature while all other negotiable items can proceed to impasse under law. This measure allows for the employer contribution disputes to be inclusively resolved under impasse procedures and subsequently by either interest arbitration or strike, depending on the collective bargaining unit involved in the impasse.

However, your Committee is concerned about the fiscal impact this measure may have on the State's budget, as amounts of contributions to health benefits comprise a substantial portion of the State's overall budget. Furthermore, this measure increases the likelihood of variability in the Hawaii Employer-Union Health Benefits Trust Fund contribution amounts for all public employees due to the involvement of multiple arbitration panels from different collective bargaining units subject to interest arbitration. As such, your Committee believes these fiscal concerns merit further discussion by your Committee on Ways and Means if that Committee chooses to schedule this measure for a hearing.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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. 885, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 885, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 277 (Joint) Education and Judiciary and Labor on S.B. No. 244**

The purpose and intent of this measure is to:

- (1) Require charter schools to complete an annual independent financial audit;
- (2) Require the State Public Charter School Commission (Charter School Commission) to develop procedures for conducting criminal history checks of persons who are employed or seeking employment in any position that places them in close proximity to children;
- (3) Specify charter school enrollment requirements;
- (4) Specify when a charter school may use criminal history information to terminate or deny employment;
- (5) Require Charter School Commission members to disclose to the Commission a list of all charter schools in which the member is an employee, governing board member, vendor, contractor, agent, or representative and disqualifies members from voting on or participating in the discussion of such matters;
- (6) Authorize the Charter School Commission to hire employees without regard to chapters 76 and 89, Hawaii Revised Statutes;
- (7) Remove the requirement that a nonprofit organization that governs a conversion charter school make minimum annual contributions to the charter school; and
- (8) Make other amendments to chapter 302D, Hawaii Revised Statutes (HRS), for the purposes of clarity and consistency.

Your Committees received testimony in support of this measure from the National Association of Charter School Authorizers and two individuals. Your Committees received comments on this measure from the Charter School Commission, Hawaii State Ethics



Commission, Hawaii Public Charter Schools Network, 'Aha Pūnana Leo, Ho'okako'o Corporation, Kanu o ka 'Āina Learning 'Ohana, West Hawai'i Explorations Academy, and one individual.

Your Committees find that Hawaii's charter schools are ranked each year by the National Alliance for Public Charter Schools (NAPCS). In 2011, Hawaii's ranking fell from thirty-fourth place to thirty-fifth place, out of a total of forty-two states.

Your Committees further find that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in NAPCS' rankings. This measure continues to build on the progress made by Act 130.

Your Committees note several of the testifiers' concerns with allowing charter schools to carry over only five percent of appropriated funds, although this is what is currently allowed for the Department of Education's public schools. One of the concerns raised is the time it takes for charter schools to receive certain funds and the ability to expend these funds in a timely manner. It is your Committees' hope that the Department of Education and the Department of Budget and Finance will continue to seek ways to ensure the timely and equitable distribution of both federal and general funds to the charter schools so that this will no longer be an issue.

Your Committees understand the concerns raised by several of the testifiers over the cost of the required annual financial audit. Your Committees note that Act 130 allows charter schools to retain the two percent of the total allocation of general funds for the charter schools to pay the salaries and operating expenses of the Charter School Administrative Office. Your Committees believe that this will allow charter schools greater flexibility to engage charter school support organizations, such as the Hawaii Charter School Network, and pull together to take advantage of the economies of scale in procuring annual audits.

Your Committees also understand the concerns raised over tying per-pupil funding to compulsory education, as several of the charter schools have junior kindergarten programs that are not covered by the compulsory education law. However, your Committees note that pursuant to Act 178, Session Laws of Hawaii 2012, public junior kindergarten programs will be repealed on July 1, 2014.

Your Committees recognize that continuing to improve Hawaii's charter schools is a work in progress that will evolve as this measure moves through the legislative process.

Your Committees have amended this measure by:

- (1) Inserting language giving the Charter School Commission authority to adopt rules under chapter 91, HRS, to administer and implement chapter 302D, HRS, unless otherwise provided by law; provided that the Board of Education maintains exclusive rule making authority over state educational policy;
- (2) Inserting language to authorize the Charter School Commission to request facilities funding for charter schools as part of its annual budget request to the Legislature; provided that:
  - (A) The Governor may impose restrictions or reductions on appropriations similar to those imposed on other public schools; and
  - (B) Nothing shall limit the ability of the Director of Finance to modify or amend any allotment pursuant to chapter 37, HRS;
- (3) Inserting language requiring the Charter School Commission to develop criteria for the distribution of facilities funding to the charter schools; provided that the criteria shall include but not be limited to distribution based on the need and performance of charter schools;
- (4) Amending the definition of "public school" in section 302A-101, HRS, to clarify that the term includes charter schools governed by chapter 302D, HRS, rather than charter schools chartered by the Board of Education;
- (5) Removing language restricting per-pupil funding to students covered under the compulsory education law in section 302A-1132, HRS;
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 244, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 244, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Judiciary and Labor

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

**SCRep. 278 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.B. No. 571**

The purpose and intent of this measure is to allow a county that has established a surcharge on state taxes, as an alternative to the ten percent deduction for administrative costs, to reimburse the State for any costs incurred or expended by the State to assist that county to plan for a rapid transit system, including costs of transportation planning and historic preservation.

Your Committees received testimony in support of this measure from the Office of the City and County of Honolulu Mayor and one individual. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

According to testimony of the Department of Taxation:

- (1) If the Honolulu Authority for Rapid Transportation is granted authority to collect the surcharge, taxpayers would need to complete, file, and remit excise taxes separately to the State and the City and County of Honolulu, which could result in added expenses to taxpayers and delays in collection;
- (2) The Department will not be able to implement the changes contained in this measure when this measure is approved; and
- (3) The Department anticipates commencing the development of a tax system modernization project before the end of the year. The project is the Department's highest priority and will require all available staff resources. Implementing the changes to remove the application of the surcharge from their current computer system and processes will be difficult at this time.

Your Committees are cognizant that the City and County of Honolulu was given the choice of assessing, collecting, and enforcing the surcharge at the time of hearings on Act 247, Session Laws of Hawaii 2005, which established the surcharge. The City and County of Honolulu preferred the State to administer the program due to a lack of county resources and expertise in collecting excise taxes. Hearings on this measure produced no testimony that the City and County of Honolulu has since developed that capability.

The amount of revenue collected from the ten percent deduction for administrative expenses in 2012 came to \$21,200,000 according to the Mayor of the City and County of Honolulu. However, testimony of the Department of Taxation indicated a significantly lesser amount. Immediate and accurate figures were not available. Your Committees believe that there needs to be a reasonable balance between the amount required by the City and County of Honolulu and the amount of actual administrative costs to the State in assisting the City and County to collect the surcharge.

Your Committees have amended this measure by:

- (1) Deleting the alternative for a county reimbursement for state costs for planning a locally preferred alternative to a mass transit project;
- (2) Deleting the provision that requires the Honolulu Authority for Rapid Transportation to collect the surcharge on state tax and reimburse the State for costs incurred or expended by the State to assist the City and County of Honolulu to plan for a rapid transit system;
- (3) Specifying that the State's automatic deduction of the gross proceeds of a county's surcharge on state tax shall be six percent, rather than ten percent; provided that if the costs of assessment, collection, and disposition of the county surcharge on state tax increase, the State is authorized to amend its deduction, by adoption of administrative rules, to a percentage no greater than ten percent; and
- (4) Inserting an effective date to July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 571, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 571, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Slom).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 279 (Majority) Judiciary and Labor on S.B. No. 867**

The purpose and intent of this measure is to ensure that retired public employees are provided health benefits at the level promised at the time these retirees entered the public employment system. Specifically, this measure:

- (1) Repeals provisions relating to the base monthly contributions for health benefit plans paid by the State and counties for retired public employees;
- (2) Repeals the requirements that the base composite monthly contribution be adjusted annually and the method of calculation; and
- (3) Makes conforming amendments to applicable sections of the law relating to the Hawaii Employer-Union Health Benefits Trust Fund to reflect the amendments under this measure.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; University of Hawaii Professional Assembly; and Hawaii Fire Fighters Association, IAFF Local 1463, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of Budget and Finance.

Your Committee finds that under existing law, retired state and county employees receive a base monthly contribution health premium benefit, the amount of which depends on the date that the retired employee entered the public employment system. The base monthly contribution formula provides an upper threshold parameter used by the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees to determine the health benefit plans for retired state and county employees. This base monthly contribution serves as a cap on the amount that the public employers are required to pay for medical, prescription drug, dental, and vision premiums. The

Hawaii Government Employees Association testified that this cap became an issue on July 1, 2012, when a carrier exceeded the base monthly contribution premium for non-Medicare retirees. If the carrier had not lowered its premium, the out-of-pocket costs to the non-Medicare retirees would have increased thereby diminishing the accrued retirees' health benefits. This measure eliminates this cap to address the potential diminishment of accrued benefits of retired public employees.

According to the written testimony submitted by the Department of Budget and Finance, the Department cited that cost is a significant consideration in the design of a health benefit plan and removing the base monthly contribution cap could potentially lead to the development of unsustainable retiree health benefits plans. Furthermore, the Department indicated that the base monthly contribution formula is one of the factors used by the actuary in determining the unfunded other post-employment benefit liability under the Hawaii Employer-Union Health Benefits Trust Fund. The Department advised that repealing the formula could result in an increase of the trust fund's unfunded liability, which is \$16,300,000,000 for all state and county jurisdictions, with the State's portion of the unfunded liability at \$13,600,000,000.

In addition to the concerns raised by the Department of Labor and Industrial Relations, your Committee has concerns regarding any conflicts with the federal Patient Protection and Affordable Care Act, commonly known as Obamacare, and notes the ongoing lawsuit in federal court regarding this federal health care law. Furthermore, your Committee has questions as to whether this measure conflicts with or resolves issues regarding the state constitutional provision that prohibits the diminishment or impairment of retired public employees' accrued benefits. As such, your Committee believes that this measure deserves further discussion by your Committee on Ways and Means.

Accordingly, your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 867, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 867, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, none.

**SCRep. 280 (Majority) Judiciary and Labor on S.B. No. 332**

The purpose and intent of this measure is to protect employees by requiring employers to provide their employees with specific wage information at the time of hiring and on pay statements and to expand the criminal and civil penalties available for enforcement purposes.

Subsequent to the initial hearing on this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and replacing it with language from S.B. No. 1148 (Regular Session of 2013). Specifically, this proposed S.D. 1 requires employers to:

- (1) Provide employees with specific wage and employer information in employees' pay records; and
- (2) Maintain accurate and timely wage recordkeeping.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Labor and Industrial Relations and International Longshore and Warehouse Union, Local 142.

Your Committee finds that existing law requires employers to provide basic pay information on their employees' pay statements. This proposed S.D. 1 provides greater transparency and clarity to employees regarding their wages, rates, and hours and makes it easier for employers to budget finances. Furthermore, this proposed S.D. 1 will provide clear information to the employee to ensure that the appropriate employer is addressed in the event of a dispute.

Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 332, 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. 281 Judiciary and Labor on S.B. No. 874**

The purpose and intent of this measure is to clarify that the duly qualified impartial physician appointed by the Director of Labor and Industrial Relations to examine an injured employee is a physician whose specialty is appropriate for the injury being examined for a workers' compensation claim.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Work Injury Medical Association of Hawaii, Hawaii Medical Association, and Plumbers and Fitters Union, Local 675. The Department of Human Resources Development submitted comments.

Your Committee finds that existing law does not specify that a physician appointed by the Director of Labor and Industrial Relations must be a physician whose specialty is appropriate for the injury being examined. This measure provides that a physician knowledgeable in the injury of the claimant will examine the claimant and creates greater efficiencies in the workers' compensation process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 874 and recommends that 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. 282      Agriculture on S.B. No. 993**

The purpose and intent of this measure is to modify the new farmer loan program under the Department of Agriculture to promote the development of innovative technologies and new farm enterprises.

Your Committee received testimony in support of this measure from the Department of Agriculture.

Your Committee finds that a major concern regarding the sustainability of agriculture in Hawaii is a lack of agricultural entrepreneurs. This is especially pressing due to the fact that the average age of a farm operator in Hawaii is approximately 59 years. This measure will provide the needed capital for new farmers to start farming operations or to farmers interested in testing new crops or techniques.

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. 993, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 993, 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. 283      Agriculture on S.B. No. 992**

The purpose and intent of this measure is to establish a low interest biosecurity loan program to assist livestock and poultry operations by mitigating the costs associated with installing biosecurity measures as required by federal programs.

Your Committee received testimony in support of this measure from the Department of Agriculture, Hawaii Cattlemen's Council, Ulupono Initiative, and one individual.

Your Committee finds that biosecurity measures serve to protect the health of poultry and livestock from diseases, pests, and pathogens by reducing their introduction into farm operations and subsequently, the food supply. Federal programs have been trending toward increased infrastructure requirements for livestock and poultry programs; however, these requirements impose financial burdens on livestock and poultry farmers. This measure will help ease that financial burden by authorizing the issuance of biosecurity project loans to qualified farmers through the Department of Agriculture's agricultural loan program.

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

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 992, S.D. 1, and be 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. 284      Agriculture on S.B. No. 937**

The purpose and intent of this measure is to:

- (1) Establish a statewide food resiliency initiative that is recognized and supported by the Legislature and will achieve measurable goals of food self-sufficiency in a reasonable timeframe;
- (2) Establish a Food Resiliency Branch in the Department of Agriculture to coordinate, promote, and implement the food resiliency initiative according to the initiative's stated benchmarks and goals;
- (3) Establish a task force to set forth the specific benchmarks for the food resiliency initiative to achieve and a time in which to achieve those benchmarks; and
- (4) Provide adequate resources to support the food resiliency initiative.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council, League of Women Voters, and one individual. Your Committee received comments on this measure from the Department of Agriculture and Office of Planning.

Your Committee finds that Hawaii is dangerously dependent on imported food. It is estimated that Hawaii's current inventory of fresh produce would supply consumers in Hawaii for no more than ten days. The State's reliance on out-of-state sources of food places residents at risk of food shortages in the event of natural disasters, economic disruption, and other external factors beyond the State's control. Your Committee further finds that an increase in the production and sale of Hawaii-grown agricultural commodities would contribute to the economy and create a significant number of jobs. It is estimated that increasing the amount of locally grown food by as little as ten percent would keep hundreds of millions of dollars circulating within Hawaii's economy and create thousands of new jobs. Finally, your Committee finds that increased availability of local food typically ensures access to fresher, later-picked

produce with greater vitamin content and higher nutritional value. Therefore, increasing Hawaii's inventory of locally produced food will improve residents' health.

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. 937, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 937, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 285 Agriculture on S.B. No. 754**

The purpose and intent of this measure is to make an appropriation for the Agribusiness Development Corporation to purchase certain agricultural lands.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation and Hawaii Cattlemen's Council. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that acquiring and developing agricultural lands is vital to the Agribusiness Development Corporation's mission and assists the State by promoting diversified agricultural enterprises on idle lands. Your Committee understands that funding from this measure will go toward acquiring lands being sold in Central Oahu and the North Shore by Dole Foods Company to ensure that these lands are kept for agricultural uses in perpetuity.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 754, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 754, S.D. 1, and be 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. 286 Agriculture on S.B. No. 753**

The purpose and intent of this measure is to:

- (1) Authorize the Department of Agriculture to lease or dispose of lands to the Agribusiness Development Corporation; and
- (2) Exempt non-agricultural park lands disposed to the Agribusiness Development Corporation from certain lease requirements required by law.

Your Committee received testimony in support of this measure from the Department of Agriculture and Hawaii Cattlemen's Council.

Your Committee finds that allowing the Department of Agriculture to enter into leases with the Agribusiness Development Corporation will promote agricultural growth and will help the State reduce its reliance on imported food.

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. 753, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 753, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 287 Agriculture on S.B. No. 752**

The purpose and intent of this measure is to:

- (1) Establish the agricultural land acquisition special fund for the purchase of agricultural land by the Agribusiness Development Corporation for the protection of agricultural lands, public land banking, promotion of farm ownership, and agricultural diversity;
- (2) Allocate an unspecified portion of the environmental response, energy, and food security tax to be deposited into the special fund; and
- (3) Require the Agribusiness Development Corporation to report annually to the Legislature summarizing all expenditures of special fund monies.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation and Hawaii Cattlemen's Council. Your Committee received comments on this measure from the Department of Agriculture and Tax Foundation of Hawaii.

Your Committee finds that protecting agricultural lands and promoting farm ownership and agricultural diversity are vital to the State's economic sustainability and food resiliency. This measure will provide necessary funds to assist the Agribusiness Development Corporation in its mission to protect and promote farm lands.

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. 752 and recommends that 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 (Thielen). Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 288 Agriculture on S.B. No. 709**

The purpose and intent of this measure is to:

- (1) Increase the Agribusiness Development Corporation's limit on investments in qualified securities of any one enterprise from \$500,000 to \$3,000,000; and
- (2) Allow more than \$3,000,000 to be invested in the securities of any one enterprise if the Corporation finds, after its initial investment, that additional investments in that enterprise are required to protect the initial investment of the Corporation.

Your Committee received testimony in support of this measure from the Agribusiness Development Corporation and Hawaii Cattlemen's Council.

Your Committee finds that this measure will authorize the Agribusiness Development Corporation to make grants and loans and to provide other monetary forms of assistance to carry out its mission. Among other things, this measure will provide struggling farmers with the needed capital to improve and modernize facilities to meet food safety standards and improve self-sufficiency.

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. 709 and recommends that 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 (Thielen). Noes, none. Excused, 2 (Wakai, Slom).

**SCRep. 289 Technology and the Arts on S.B. No. 998**

The purpose and intent of this measure is to designate the Department of Accounting and General Services as the entity responsible for management and operations of Washington Place and to establish a trust fund for its operations.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that effective July 1, 2012, the Legislature transferred the funding for the management and operations of Washington Place to the Department of Accounting and General Services under Act 106, Session Laws of Hawaii 2012, and this measure is necessary to codify the transfer of management and operations of Washington Place.

Your Committee further finds that any revenue or rent received from the use of Washington Place is currently being deposited into the general fund. The proposed trust fund is necessary to allow all revenue from rent, concessions, donations, and other monies to be deposited directly into a fund to help aid the Department of Accounting and General Services maintain and repair the historic site.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 998 and recommends that 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 (Gabbard, Tokuda).

**SCRep. 290 (Joint/Majority) Technology and the Arts and Commerce and Consumer Protection on S.B. No. 345**

The purpose and intent of this measure is to amend the fees related to portable electronics insurance licenses to align with similar licensing fees in other jurisdictions. Specifically, this measure increases the initial portable electronics limited lines license fee to \$5,000 and the additional license fee to \$2,500 per year for the initial or renewal term.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Asurion.

Your Committees find that portable electronics insurance licenses allow vendors to operate from multiple locations and supervise the sale of insurance by unlicensed individual employees. Act 321, Session Laws of Hawaii 2012, enacted a regulatory scheme governing the sale of portable electronics insurance by creating a licensing framework under which the retailer holds a license that authorizes its employees to sell insurance products on the retailer's behalf. This model is consistent with national trends with respect to the regulation of this product as it creates an efficient and fair licensing framework. One of the differences between the law that was enacted in Hawaii and that of other states is that Hawaii has significantly lower fees for licensure.

Each year, only a handful of portable electronics insurance licenses are issued or renewed, but the Department of Commerce and Consumer Affairs carries the burden of maintaining a separate license category for those few license holders. It is appropriate to offset departmental costs of such maintenance and oversight with higher license fees. This measure increases the license and renewal fees similarly to limited lines motor vehicle rental company producer's license fees and annual licensing fees for all services for regularly licensed limited line motor vehicle rental company producers.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts 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. 345 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.

Technology and the Arts  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Tokuda).

Commerce and Consumer Protection  
Ayes, 6. Noes, 1 (Slom). Excused, none.

**SCRep. 291 (Joint) Technology and the Arts and Higher Education on S.B. No. 1273**

The purpose and intent of this measure is to make an appropriation to establish the system-wide, statewide Academy for Creative Media (ACM) within the University of Hawaii to award certificates and degrees emphasizing narrative storytelling through a unique program in indigenous filmmaking.

Your Committees received testimony in support of this measure from the University of Hawaii System; Department of Business, Economic Development, and Tourism; and Academy for Creative Media.

Your Committees find that ACM was formally approved by the University of Hawaii Board of Regents in 2003 as a progressive program that recognizes the talent of students in developing creative media and the promise of a new and vibrant industry for Hawaii. This measure seeks to codify the successful ACM Manoa program, which has been teaching the art of digital media and filmmaking for the past decade.

Prior to the program's establishment, students sought film or digital media education outside the State, often furthering their careers on the mainland or abroad rather than in Hawaii. Today the ACM Manoa program ranks among the fastest growing majors in the history of the University of Hawaii System and has more candidates for classes than can be accommodated. Your Committees further find that extending the educational opportunities statewide can be a powerful incentive for workforce development.

Your Committees have amended this measure by:

- (1) Deleting the specific dollar amount of the appropriation requested, which was \$2,129,967; 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 Technology and the Arts and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1273, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1273, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Higher Education  
Ayes, 5. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 292 Water and Land on S.B. No. 1342**

The purpose and intent of this measure is to authorize the forfeiture of any property used or taken in any violation of laws or rules that is charged as a petty misdemeanor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Pacific Alliance to Stop Slavery, and one individual. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawai'i and one individual.

Your Committee finds that most of Hawaii's laws and administrative rules relating to the protection of our natural, cultural, historical, and recreational resources carry a penalty of either a misdemeanor or petty misdemeanor offense. Frequently, these penalties are not a sufficient deterrent, and violations are often committed by the same individuals even after fines or other sanctions are ordered by our courts. The use of asset forfeiture as an enforcement tool will allow the Department of Land and Natural Resources to take action against incessant violators of our resource laws by depriving violators of the means used to commit or facilitate the violation, or which are the proceeds derived from the violation. The use of asset forfeiture in petty misdemeanor cases strengthens the ability of the Department of Land and Natural Resources to protect Hawaii's precious resources to the fullest extent possible.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1342 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; Ayes with Reservations (Ihara). Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

**SCRep. 293 (Joint) Water and Land and Agriculture on S.B. No. 708**

The purpose and intent of this measure is to require the Legacy Land Conservation Commission to recommend agricultural lands, including arable areas and areas containing existing agricultural infrastructure, as the top priority for acquisition under the legacy land conservation program.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources, Conservation Council for Hawaii, Historic Hawaii Foundation, and The Nature Conservancy.

Your Committees find that the legacy land conservation program is an important state program for funding the acquisition and protection of threatened resources, including lands that are important for a variety of natural, cultural, historic, scenic, recreational, and societal values. Lands valued for agricultural production comprise the nine resource types covered by the program.

Based upon testimony on this measure, your Committees find that ranking in priority from highest to lowest the lands that should be acquired for the legacy land conservation program may not be in the best interests to other lands not given priority although important in and of themselves.

Your Committees have amended this measure by deleting its contents and inserting language to amend section 173A-4, Hawaii Revised Statutes, to:

- (1) Repeal the requirement that state and county agencies and nonprofit land conservation organizations that receive legacy land funding must provide easements, deed restrictions, or covenants to county and federal natural resource conservation agencies;
- (2) Require as a condition of the receipt of legacy land funding that the Board of Land and Natural Resources be an owner of any conservation or agricultural easement, deed restriction, or covenant;
- (3) Authorize the Board of Land and Natural Resources or any land conservation organization or state agency required to be provided an easement, deed restriction, or covenant to grant an exemption; and
- (4) Require state agencies to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to implement section 173A-4, Hawaii Revised Statutes.

As affirmed by the records of votes of the members of your Committees on Water and Land and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 708, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 708, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4; Ayes with Reservations (Thielen). Noes, none. Excused, 3 (Ihara, Ruderman, Shimabukuro).

Agriculture

Ayes, 6; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Wakai).

**SCRep. 294 (Joint) Public Safety, Intergovernmental and Military Affairs and Health and Technology and the Arts on S.B. No. 548**

The purpose and intent of this measure is to exempt from the licensing requirement to practice medicine in the State any commissioned medical officer or commissioned or civilian behavioral health professional employed by the U.S. Department of Defense, who is credentialed by Tripler Army Medical Center, while providing direct telemedicine support or services to neighbor island beneficiaries within a Hawaii National Guard armory on the islands of Kauai, Hawaii, Molokai, or Maui.

Your Committees received testimony in support of this measure from the Department of Defense, State of Hawaii; Oahu Veterans Center; Maui Veterans Council; Community Alliance for Mental Health; and one individual. Your Committees received comments on this measure from the Hawaii Medical Board.

Your Committees find that enhanced medical services for National Guard armories on the islands of Kauai, Hawaii, Molokai, and Maui will have a direct and long term impact for health care accessibility for neighbor island beneficiaries. This measure will improve mental health counseling and services for armed service members serving our nation.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Health and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 548 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.

Public Safety, Intergovernmental and Military Affairs

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

Health

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

Technology and the Arts

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

**SCRep. 295 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.B. No. 1009**

The purpose and intent of this measure is to make permanent Act 170, Session Laws of Hawaii 2002 (Act 170), which shields county lifeguards from liability, with certain exceptions, by repealing the sunset date.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Department of Land and Natural Resources; State Fire Council; Kauai Fire Department; Department of the Corporation Council, City and County of Honolulu; Honolulu Emergency Services Department, City and County of Honolulu; Department of Fire and Public Safety, County of



Maui; County Council, County of Maui; Hawaii Fire Department, County of Hawaii; and Hawaiian Lifeguard Association. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice.

Your Committees find that the liability protections afforded to lifeguards under Act 170 will sunset on June 30, 2014. Act 170 provides liability protection for lifeguard services on the beach or in the ocean, except for gross negligence or wanton acts or omissions.

This limited liability protection is necessary because in the past, certain counties would not provide lifeguard services at state beach parks due to the fear of potential liability that might ensue. Your Committees find that Act 170 has created a climate in which lifeguard services can be provided by the counties without fear of liability, and therefore, it is a life-saving measure that should be made permanent.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental 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. 1009, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1009, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 296 Public Safety, Intergovernmental and Military Affairs on S.B. No. 777**

The purpose and intent of this measure is to specify additional acts that constitute the offense of impersonation of a law enforcement officer.

Your Committee received testimony in support of this measure from the Honolulu Police Department, City and County of Honolulu; and Hawaii Rifle Association.

Your Committee finds that the expansion of the offense of impersonating a law enforcement officer to include violent or harmful acts will improve the public safety of our communities.

Your Committee has amended this measure by:

- (1) Clarifying that the offense of impersonating a law enforcement officer in the first degree requires the perpetrator to pretend to be a law enforcement officer, be armed with a firearm, and threaten violence to another by an immediate show of force, threaten or attempt to confiscate or damage property of another, or threaten or attempt to exercise dominion or control over another;
- (2) Deleting subsection (b), which would have included intentionally or knowingly causing another person to apprehend a harmful or offensive contact under the offense of impersonating a law enforcement officer in the first degree;
- (3) Inserting a savings clause; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 297 Human Services on S.B. No. 103**

The purpose and intent of this measure is to require 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 independently evaluated for effectiveness.

Your Committee received testimony in support of this measure from the Executive Office on Aging, County of Hawaii Office on Aging, Policy Advisory Board for Elder Affairs, Community Alliance for Mental Health, AARP Hawaii, International Longshore and Warehouse Union Local 142 Hawaii, Hawaii Alliance for Retired Americans, and one individual.

Your Committee finds that Americans with multiple, chronic health conditions and increased rates of disability in old age are living longer now than in the past. Furthermore, there will be a greater need for long term care in the future as Hawaii's population ages. Between 2007 and 2030, the population aged eighty-five and older, which has the greatest need for long term care, will increase by almost two-thirds. However, many people in Hawaii lack sufficient knowledge or are misinformed about the need for and cost of long term care. Your Committee finds that this measure will improve the ability of people in Hawaii to adequately plan for their long term care 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. 103 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 298 (Joint) Human Services and Health on S.B. No. 1336**

The purpose and intent of this measure is to designate the Kahuku Medical Center as a rural health clinic and critical access hospital.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, Kahuku Medical Center, Hawaii Primary Care Association, and one individual. Your Committees received testimony in opposition to this measure from the Ko'olauloa Community Health and Wellness Center, Inc.

Your Committees find that rural hospitals are essential components of the State's health care system. Maintaining acute, long-term, and emergency services in areas like the North Shore of Oahu is essential to ensure access to health care among community residents and timely access to emergent care for visitors. The loss of Kahuku Medical Center's designation as a critical access hospital would endanger its ability to provide these services to residents and visitors on the North Shore.

Your Committees have amended this measure by clarifying that this measure designates Kahuku Medical Center as a rural hospital, rather than as a rural health clinic and critical access hospital.

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. 1336, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1336, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Human Services  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).  
Health  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 299 Human Services on S.B. No. 1340**

The purpose and intent of this measure is to allow former foster care youths who are attending an institution of higher education as full-time students to stay in the foster care system until the age of twenty-three.

Your Committee received testimony in support of this measure from the Hawaii Foster Youth Coalition and three individuals. Testimony in opposition of this measure was submitted by the Department of Human Services.

Your Committee finds that foster youth who are evicted at age eighteen often do not have the financial, emotional, or housing support from their biological family. A 2001 study to identify the transition needs of foster youth in Oahu and East Hawaii found that twenty percent of foster youth aged eighteen to twenty-four were homeless within a year and that an additional forty-three percent were at risk of becoming homeless.

Your Committee further finds that due to the unfortunate nature of their situation, many former foster youths who are attending an institution of higher education find it difficult to adjust and transition to life after being in the foster care system because they often lack a support system. Without family support or the resources to provide for the basic necessities in life, many of these former foster youths may not have the financial means to attend school. There is a need to support these former foster youths to ensure their success and transition into society and that providing foster care support to these former foster youths while attending school would enable them to focus on academic success and career development instead of worrying about housing, food, and other basic needs.

Your Committee has amended this measure by deleting its contents and inserting language from S.B. No. 1104 (Regular Session of 2013), which establishes the young adult voluntary foster care program to care for and supervise eligible foster youth until their twenty-first birthdays, 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1340, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 300 Human Services on S.B. No. 1226**

The purpose and intent of this measure is to:

- (1) Clarify the appointment requirements and qualifications for child custody evaluators;
- (2) Require the courts to establish a complaint process for child custody evaluators; and
- (3) Reserve the appointment of a child custody evaluator for the conducting of an investigation and analysis of the best interest of the child regarding disputed custody and visitation issues in complex cases where there is a possible risk to children; provided

that the court shall not order such an evaluation unless there is credible information regarding possible harm to the child or impairment of parental duties.

Your Committee received testimony in support of this measure from the Law Office of John Kirimitsu and seven individuals. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that Act 149, Session Laws of Hawaii 2008, requires the court to define the requirements to be a court-appointed child custody evaluator; the standards of practice, ethics, policies, and procedures required of court-appointed child custody evaluators in the performance of their duties for all courts; and the powers of the courts over child custody evaluators to effectuate the best interests of a child in a contested custody dispute. Act 149 further provides that where there is no child custody evaluator available that meets the requirements and standards, or any child custody evaluator to serve indigent parties, the court may appoint a person otherwise willing and available.

Your Committee further finds that actions for divorce, separation, annulment, separate maintenance, or any other proceeding where there is at issue a dispute as to the custody of a minor child allow the family court, during the pendency of the action, at the final hearing, or any time during the minority of the child, to make an order for the custody of the minor child as may seem necessary or proper. For this purpose, section 571-46, Hawaii Revised Statutes, allows the court to appoint a child custody evaluator to investigate and report concerning the care, welfare, and custody of any minor child of the parties, or any party to produce an expert, whose skill, insight, knowledge, or experience is such that the person's or expert's testimony is relevant to a just and reasonable determination of what is for the best physical, mental, moral, and spiritual well-being of the child whose custody is at issue.

Your Committee also finds that Act 149 needs clarification in the interests of expediting the establishment of a system of child custody evaluators in order to ensure competent evidence and a fair determination of awarding child custody.

Your Committee has amended this measure by:

- (1) Specifying that the Judiciary, rather than the court, shall maintain a publicly accessible registry of child custody evaluators;
- (2) Requiring professionals who are willing and able to perform child custody evaluations to be responsible for providing the Judiciary with relevant information;
- (3) Requiring the Judiciary, rather than the court, to establish a complaint process regarding child custody evaluators appointed by the court and making a conforming amendment;
- (4) Requiring the Judiciary to also refer complaints to the appropriate licensing or certifying authority and submit to the Legislature an annual report on the complaints received; and
- (5) Deleting the language that reserved the appointment of a child custody evaluator, rather than a guardian ad litem, for investigation and analysis of disputed custody and visitation issues in complex cases and that prohibited the court from ordering such an evaluation unless there is credible information regarding possible harm to the child or impairment of parental abilities.

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. 1226, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1226, 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, 3; Ayes with Reservations (Green). Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 301 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1106**

The purpose and intent of this measure is to allow a child care program licensed by the United States Department of Defense and the Hawaii Council of Private Schools to be exempt from licensing by the Department of Human Services; provided that the child care program licensed by the Hawaii Council of Private Schools must apply and show evidence that the licensing standards of the Council meet or exceed the licensing standards of the Department of Human Services; provided further that the standards include a monitoring system that ensures compliance with the standards.

Your Committees received testimony in support of this measure from the Department of Human Services and Executive Office on Early Learning. Testimony in opposition to this measure was submitted by the Hawaii Association for the Education of Young Children. Your Committees received comments on this measure from the Hawaii Association of Independent Schools.

Your Committees find that the kindergartens, schools, or child care programs to be exempted in this measure are already licensed or certified by the United States Department of Defense and located on federal property. The licensing and certification standards of the United States Department of Defense exceed the Department of Human Services' standards.

Your Committees further find that the Department of Human Services does not have jurisdiction over child care programs located on federal property. It is an administrative burden for the Department of Human Services to also license these programs that are already licensed or certified by another entity.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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 Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1106, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1106, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 302 Human Services on S.B. No. 518**

The purpose and intent of this measure is to prohibit the Hawaii Public Housing Authority, when selecting tenants, from considering a prospective tenant's conviction for a minor crime that occurred five years or more before the application date; provided that the Authority may consider any conviction involving criminal drug-related offenses, violent criminal activity, sexual offenses, or alcohol abuse.

Your Committee received testimony in support of this measure from Legal Aid Society of Hawaii, Community Alliance for Mental Health, Hawaii Appleseed Center for Law and Economic Justice, and one individual. Testimony in opposition on this measure was submitted by the Hawaii Public Housing Authority and American Civil Liberties Union of Hawaii.

Your Committee finds that public housing agencies are allowed to consider criminal activity that would threaten the health, safety, or right to peaceful enjoyment on the premises by other residents or would threaten the health and safety of the public housing agency or staff. However, automatic denials against broad categories of applicants with criminal records are particularly vulnerable to fair housing challenges. Fair housing concerns include whether a public housing agency criminal history policy has a disparate impact based on an applicant's race. Because certain racial minorities have disproportionately more contact with the criminal justice system than the general population, housing policies that ban people with criminal records adversely affects those racial minority groups.

Your Committee further finds that policies must consider an applicant's individual attributes and the time, nature, and extent of the applicant's conduct, including the seriousness of the offense. Many applicants for housing will have histories that include information that may be considered adverse. Public housing agencies need a policy on how to respond to such adverse information. The policy should address how, when, and under what circumstances mitigating factors will be considered. Consideration may be given to evidence of rehabilitation, the applicant's willingness to participate in social service programs, and other factors indicating favorable future conduct.

Your Committee has heard testimony expressing concerns about policies regarding individuals committing multiple offenses that are petty misdemeanors. Your Committee finds that this issue merits further consideration and requests that your Committee on Judiciary and Labor further examine this issue.

Your Committee has amended this measure by:

- (1) Clarifying that this measure applies to the selection of elderly and disabled tenants; and
- (2) Amending the types of offenses that the Hawaii Public Housing Authority may consider when selecting elderly and disabled tenants by:
  - (A) Adding evictions and any violation of an order of restraint, trespassing, domestic abuse, or any crime that includes weapon involvement; and
  - (B) Deleting violations involving drug-related or violent criminal activity, sexual offences, or alcohol abuse.

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. 518, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 518, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 303 (Joint) Education and Health on S.B. No. 240**

The purpose and intent of this measure is to:

- (1) Require the Department of Health, in consultation with the University of Hawaii School of Nursing and Dental Hygiene, to provide training and clinical direction to school health aides; and
- (2) Repeal section 302A-708, Hawaii Revised Statutes, which requires the Department of Education to provide career pathways development and training opportunities to school health aides in the Department of Education's school health services field.

Your Committees received testimony in support of this measure from the Department of Education; University of Hawai'i at Mānoa School of Nursing and Dental Hygiene; Community Children's Council of Hawaii; Special Education Advisory Council; and one individual. Your Committees received testimony in opposition to this measure from the Department of Health and two individuals. Your Committees received comments from the Hawaii Government Employees Association AFSCME Local 152, AFL-CIO.

Your Committees find that there is an ongoing need for timely and appropriate training for school health aides.

Your Committees note that the Department of Education and Department of Health have started a dialogue on training school health aides, and it is the hope of your Committees that they will continue to work together to come to an agreement on this important issue.

Your Committees have amended this measure by:

- (1) Adding language to require the Department of Education and the Department of Health to enter into a memorandum of understanding on the issue of training for school health aides;
- (2) Requiring that a copy of the memorandum of understanding be provided to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (3) Providing for the repeal of section 1, which requires the Department of Health, in consultation with the University of Hawaii School of Nursing and Dental Hygiene, to provide training and clinical direction to school health aides, on June 30, 2014; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 240, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 240, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Health

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

**SCRep. 304 (Joint) Education and Health on S.B. No. 241**

The purpose and intent of this measure is to:

- (1) Allow Department of Education employees and agents to volunteer to administer epinephrine to a student in anaphylactic shock;
- (2) Require the Department of Health to provide proper instruction and training to every Department of Education employee or agent who volunteers to administer glucagon and epinephrine; and
- (3) Require a student's parent or guardian to provide the Department of Education with written authorization for auto-injectable epinephrine and to supply injectable epinephrine supplies to administer the epinephrine.

Your Committees received testimony in support of this measure from the Department of Education, Hawaii Disability Rights Center, Community Children's Council of Hawaii, Special Education Advisory Council, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii State Employees Association AFSCME Local 152, AFL-CIO. Your Committees received comments on this measure from the Department of Health.

Your Committees find that this measure is necessary to clarify that Department of Education employees and agents may volunteer to administer epinephrine to a student in anaphylactic shock.

Your Committees also recognize that the Department of Education and Department of Health have been working together on the issue of providing proper instruction and training to every Department of Education employee or agent who volunteers to administer glucagon and epinephrine. Your Committees encourage the departments to continue to their dialogue and work toward entering a memorandum of understanding to address the training issue.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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. 241, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 241, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Health

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

**SCRep. 305 (Joint/Majority) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.B. No. 693**

The purpose and intent of this Act is to establish a three-year pilot photo red light imaging detector system program to improve enforcement of the traffic signal laws in all counties with a population in excess of 600,000 and make an appropriation for the implementation and operation of the program.

Your Committees received testimony in support of this measure from the Department of Transportation, State Highway Safety Council, Mothers Against Drunk Driving, Hawaii Bicycling League, ThinkTech Hawaii, Safe Community of Maui, and two individuals. Your Committees received testimony in opposition to this measure from the State Public Defender, American Civil Liberties Union of Hawai'i, Hawaii Transportation Association, and one individual. Your Committees received comments on this measure from the Department of Budget and Finance and one individual.

Your Committees find that the prevalence of drivers violating Hawaii's traffic laws, especially on the island of Oahu, has become intolerable, particularly drivers who run red lights. These violations endanger the lives of motorists and pedestrians and compound the already hazardous conditions on Hawaii's roads and highways. It has become increasingly common to hear reports of hit-and-run

drivers who have run over children or the elderly. Disregarding traffic signals has also been the common denominator in recent highly publicized motor vehicle crashes that have claimed lives.

Photo red light imaging detector systems are mechanical and impersonal. Many jurisdictions have banned automated traffic enforcement on constitutional grounds because there is no certifiable witness to the violation and the driver is not positively identified. With photo red light imaging detector systems, a camera is positioned at intersections where red light violations are a major cause of collisions and serves as a twenty-four hour deterrent. Sensors are buried under a crosswalk and lead to a self-contained camera system mounted on a nearby structure. When a vehicle enters the intersection and the traffic light is red, the camera takes a telephoto color picture of the rear of the car, capturing the license plate. A second wide-angle photograph captures the entire intersection, including other traffic.

Your Committees have amended this measure by:

- (1) Deleting the establishment of the photo red light imaging detector program account within the general fund and specifying instead that all revenues from fines for violation of the photo red light imaging detector system shall be deposited into the general fund;
- (2) Deleting the appropriation for implementation and operation of the pilot photo red light imaging detector system program;
- (3) Inserting language relating to highway safety to:
  - (A) Amend section 249-7(b), Hawaii Revised Statutes, to require that motorcycles have a license plate displayed on the front as well as on the back of the motorcycle (mopeds are not required to have license plates); and
  - (B) Amend section 291C-32(a), Hawaii Revised Statutes, to require the length of the steady yellow indication to be sufficient to allow trucks to pass through the intersection before a steady red indication commences;
- (4) Clarifying the purpose section to conform to the amendments;
- (5) Inserting an effective date to July 1, 2050, to encourage further discussions in this matter; 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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 693, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 693, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 7; Ayes with Reservations (English, Kahele, Keith-Agaran, Kouchi, Solomon). Noes, none. Excused, 2 (Dela Cruz, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Galuteria, Green).

Technology and the Arts

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Tokuda).

**SCRep. 306 (Majority) Health on S.B. No. 1307**

The purpose and intent of this measure is to amend the tax on tobacco products, other than large cigars, to an unspecified rate.

Your Committee received testimony in support of this measure from the American Cancer Society Cancer Action Network. Your Committee received testimony in opposition to this measure from Glory Investments and one individual. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that a variety of tobacco products are currently taxed at rates lower than cigarettes, which may create a substitution effect. This measure amends the tax on tobacco products, other than large cigars, sold by a wholesaler or dealer beginning on September 30, 2013. Your Committee notes that as this measure moves forward, the specific amount of the tax will need to be determined.

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. 1307 and recommends that 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. 307 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1255**

The purpose and intent of this measure is to appropriate general funds to the Department of Health to demolish the Ewa Beach fire facility and construct a Leadership in Energy and Environmental Design (LEED) certified emergency medical services facility at the same location.

Your Committees received testimony in support of this measure from the Department of Health and United Public Workers. Your Committees received comments on this measure from the American Chemistry Council.

Your Committees find that with the relocation of Honolulu fire engine twenty-four, which serviced Ewa Beach, emergency response times to Ewa Beach have been negatively impacted. Your Committees find that the prior location of Honolulu fire engine twenty-four is ideal for an ambulance service and that by triangulating emergency first responders and emergency medical services, emergency response times and service to Ewa Beach would be improved. Therefore, your Committees find it necessary to appropriate funds for the demolition of the Ewa Beach fire facility and the construction of a LEED certified emergency medical services facility at the same location.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1255 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.

Health

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 308 (Majority) Health on S.B. No. 1127**

The purpose and intent of this measure is to:

- (1) Amend section 709-908, Hawaii Revised Statutes, to add a definition of “electronic smoking device”;
- (2) Prohibit the selling or furnishing of electronic smoking devices to persons under eighteen years of age;
- (3) Prohibit persons under eighteen years of age from purchasing electronic smoking devices; and
- (4) Require the inclusion of a statement regarding the prohibition of the sale of electronic smoking devices to persons under the age of eighteen years on signage required on or near a vending machine, point of sale, or other location where tobacco is sold.

Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, VOLCANO Fine Electronic Cigarettes, and forty individuals. Your Committee received testimony in opposition to this measure from twenty-seven individuals.

Your Committee finds that electronic smoking devices have become increasingly prevalent and widely available, with some marketers of electronic cigarettes actively targeting minors. This measure will make Hawaii one of several states that prohibit the sale of electronic smoking devices to minors.

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. 1127 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 309 Health on S.B. No. 984**

The purpose and intent of this measure is to appropriate funds as a grant pursuant to chapter 42F, Hawaii Revised Statutes, to Pacific Renal Care Foundation.

Your Committee received testimony in support of this measure from the Pacific Renal Care Foundation.

Your Committee finds that there are currently 156,000 Hawaii residents suffering from chronic kidney disease and over 3,000 patients receiving life-sustaining dialysis treatment throughout the State. Your Committee further finds that according to the National Kidney Foundation, these statistics indicate an incidence of this disease in Hawaii that is higher than the national average. This measure provides needed funding to slow the progression of chronic kidney disease through prevention and wellness outreach programs.

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. 984 and recommends that 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. 310 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 981**

The purpose and intent of this measure is to authorize the Department of Health to provide public health statistics records to law enforcement officers for evidence in criminal investigations.

Your Committees received testimony in support of this measure from the Department of the Attorney General, City and County of Honolulu Department of the Prosecuting Attorney, City and County of Kauai Department of the Prosecuting Attorney, Honolulu Police Department, and County of Hawaii Police Department.

Your Committees find that law enforcement officers cannot generally obtain public health statistics records during investigations without a court order. The process of obtaining a court order for these records is time consuming and can often delay investigations involving physical evidence, safety of victims, availability of witnesses, or the ability to locate suspects. Your Committees find that

this delay negatively impacts criminal investigations in the State by threatening the safety of victims and others, compromising physical evidence, and delaying apprehension of suspects.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 981 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.

Health

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 311 Health on S.B. No. 665**

The purpose and intent of this measure is to appropriate funds to address the shortage of primary care physicians in the State through a comprehensive primary care workforce development plan that addresses the critical areas of health care provider loan repayment, diversity programs, and primary care workforce expansion.

Your Committee received testimony in support of this measure from the John A. Burns School of Medicine, The Queen's Medical Center, Hawaii Medical Association, Papa Ola Lokahi, Hawaii Academy of Family Physicians, Hawaii Pacific Health, and sixty-one individuals. Your Committee received comments on this measure from four individuals.

Your Committee finds that Hawaii has a shortage of physicians compared to similar populations throughout the United States. Studies of the physician workforce in Hawaii demonstrate extreme shortages of primary care specialties, most notably in rural areas. Rising demand on the health care system in Hawaii due to population growth, aging, and the prevalence of chronic disease calls for an increase in the existing physician base. Access to a personal physician has been shown to decrease morbidity and mortality while controlling health care costs through early detection and careful management of chronic disease and deferral of unnecessary hospital admission and emergency room visits.

Your Committee further finds that physicians tend to remain and practice where they train. If bright medical students leave Hawaii to train elsewhere, they are less likely to return and practice in Hawaii. Strong evidence suggests that if medical school and residency are completed by medical students in Hawaii, eighty-five percent of those medical students will remain and practice as physicians in Hawaii.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 665 and recommends that 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. 312 Health on S.B. No. 662**

The purpose and intent of this measure is to appropriate funds to support the Hawaii Health Corps.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Papa Ola Lokahi, and one individual.

Your Committee finds that the State is currently facing a shortage of health care providers. This measure will help extend health care services to rural and other underserved areas in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 662 and recommends that 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. 313 (Majority) Health on S.B. No. 645**

The purpose and intent of this measure is to:

- (1) Repeal the general excise tax exclusion for dealers who hold a permit to sell liquor;
- (2) Repeal the use tax exclusion on intoxicating liquor; and
- (3) Amend the gallonage liquor taxes and designate a percentage of revenue from those taxes to be paid to the community health centers special fund and the trauma system special fund.

Your Committee received testimony in support of this measure from the Department of Health, Hawai'i Primary Care Association, Mothers Against Drunk Driving Hawaii, Ho'ola Lāhui Hawai'i, and one individual. Your Committee received testimony in opposition to this measure from the Distilled Spirits Council of the United States; Hawaii Food Industry Association; Creekside Lounge, Inc.; and Anheuser Busch Companies.

Your Committee finds that almost half of all fatal traffic accidents in Hawaii involve an alcohol-impaired driver. A number of studies have shown that increasing the cost of alcoholic beverages is the best way to reduce the incidence of alcohol-related traffic



fatalities. Your Committee further finds that studies have also shown that increasing the cost of alcoholic beverages lowers rates of cirrhosis, sexually-transmitted diseases, and other health risks.

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. 645 and recommends that 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. 314 (Majority) Health on S.B. No. 642**

The purpose and intent of this measure is to require cigarettes and tobacco products to be stored for sale behind a counter in certain establishments.

Your Committee received testimony in support of this measure from fifteen individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the tobacco industry spends more than \$12,000,000,000 annually on advertising and marketing its products in the United States. Each year, tobacco companies spend over \$42,000,000 promoting their brands in stores throughout Hawaii. The National Cancer Institute has reported that the total weight of evidence from multiple studies demonstrates a causal relationship between tobacco advertising and promotion and increased tobacco use.

Your Committee further finds that retail stores are given incentives to place tobacco advertisements and products in strategic locations near the cash register, known as a point-of-sale, or in self-service displays. Research indicates the presence of these products and advertisements may stimulate impulse purchases. Furthermore, a 2009 study found that frequent visits to stores selling tobacco and a greater awareness of cigarettes sold in stores increased the likelihood of teenagers being susceptible to initiating smoking, experimenting with smoking, or becoming smokers.

Your Committee has heard testimony expressing a concern that there are some remaining questions about the constitutionality of this measure. Your Committee finds that this issue merits further consideration and requests that your Committee on Commerce and Consumer Protection further examine this issue if they choose to schedule this measure for a hearing.

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. 642 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 315 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1254**

The purpose and intent of this measure is to appropriate funds to increase the on-call availability of emergency medical services and ambulance services in Ewa Beach.

Your Committees received testimony in support of this measure from the Department of Health; Honolulu Emergency Services Department, Emergency Medical Services Division, City and County of Honolulu; The Queen's Health Systems; United Public Workers; and one individual.

Your Committees find that the closure of Hawaii Medical Center hospitals has jeopardized access to emergency medical care for thousands of Oahu residents. The City and County of Honolulu Emergency Medical Services Division has been burdened with a need to respond to a greater number of emergency calls from Ewa Beach for transport to emergency rooms elsewhere on Oahu, and this increased demand threatens emergency service responders' ability to adequately serve the Ewa Beach community. Your Committees find it necessary to appropriate funds to the Department of Health to assist the City and County of Honolulu Emergency Medical Services Division with expanding emergency medical services and ambulance services in Ewa Beach.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1254 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.

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Galuteria).

**SCRep. 316 Health on S.B. No. 1337**

The purpose and intent of this measure is to amend the definition of "something of value" to clarify that participation in health wellness programs is not considered gambling or lottery participation under the Hawaii Penal Code.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Police Department and County of Hawaii Police Department.

Your Committee finds that preventative health care is important not only for individuals' personal wellbeing, but also for the health care system of the State as a whole. Preventative health care assists health consumers in maintaining good health and helps them avoid

debilitating and costly diseases and conditions that might otherwise affect them without preventative health care. Your Committee notes that while these goals are laudable, there have been concerns that such programs run afoul of the State's gambling and lottery statutes. Because wellness programs promote the health of Hawaii's citizens and save the health care system significant sums of money annually, your Committee finds it necessary to amend the Hawaii Penal Code to clarify that wellness programs do not constitute gambling or lottery participation.

Your Committee has amended this measure by:

- (1) Amending the purpose section to clarify the Act's intent to exclude wellness programs from the definition of "gambling" and "something of value";
- (2) Inserting language to amend the definition of "gambling" to exclude payment for or participation in wellness programs sponsored by group health plans, accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations in the State;
- (3) Amending the definition of "something of value" to exclude payment for or participation in wellness programs sponsored by group health plans, accident and health or sickness insurers, mutual benefit societies, and health maintenance organizations in the State; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1337, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1337, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 317 Health on S.B. No. 1139**

The purpose and intent of this measure is to establish a statewide hospital-based early identification and home visiting system to enhance health and safety outcomes, prevent child abuse and neglect, and appropriate funds to the Department of Health to administer the program.

Your Committee received testimony in support of this measure from the Department of Health; Executive Office on Early Learning; Home Instruction for Parents of Preschool Youngsters; Catholic Charities Hawaii; Child and Family Service; National Association of Social Workers Hawaii; Keiki O Ka Aina Family Learning Centers; and 34 individuals.

Your Committee finds that home visiting is an effective prevention strategy used by states and communities to improve the health and well-being of women, children, and families at risk for adverse health and safety concerns. Early investment in home visiting programs has been shown to reduce costs associated with foster care placements, hospitalizations, emergency room visits, unintended pregnancies, and other costly preventable outcomes. Your Committee finds that the establishment of a home visiting program in Hawaii will position the Department of Health to participate in the federal home visiting grant program and thereby improve the health and safety of eligible Hawaii families.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1139, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1139, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 318 Health on S.B. No. 608**

The purpose and intent of this measure is to require the Hawaii Medical Board to:

- (1) Set content standards for physician continuing education regarding prevention and treatment of chronic disease through changes in nutrition and lifestyle;
- (2) Disseminate information regarding the prevention and treatment of chronic disease by the application of changes in nutrition and lifestyle behavior; and
- (3) Convene a working group to discuss nutrition and lifestyle behavior for the treatment and prevention of chronic disease at a Board meeting before July 1, 2016.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that it is estimated that the health care costs for chronic disease treatment account for over seventy-five percent of national health expenditures. Your Committee further finds that many of the problems associated with chronic disease could be alleviated with a change in diet. However, your Committee also finds that nutrition counseling is not extensively taught in medical schools. This measure addresses the important issues of nutrition and lifestyle behavioral change by requiring the Hawaii Medical Board to set content standards for continuing education, disseminate relevant information, and assemble a working group to discuss the treatment and prevention of chronic disease through changes in nutrition and lifestyle.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 608, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 608, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 319 Technology and the Arts on S.B. No. 1000**

The purpose and intent of this measure is to designate the Chief Information Officer or the Chief Information Officer's designee to serve on and chair the Access Hawaii Committee.

Your Committee received testimony in support of this measure from the Office of Information Management and Technology, Department of Accounting and General Services, State of Hawaii Judiciary, and Hawaii Open Data.

Your Committee finds that the Access Hawaii Committee was established to oversee Hawaii's internet portal activities. Now that Hawaii has a full-time Chief Information Officer to provide the overall direction and vision for information technology, naming the Chief Information Officer as chair of the Access Hawaii Committee aligns the Committee's responsibilities with the State's strategic plan.

Your Committee has amended this measure by:

- (1) Requiring the Portal Manager's annual financial reports to be included in the annual report to the Legislature and public; 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1000, 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. 320 (Joint) Public Safety, Intergovernmental and Military Affairs and Tourism and Hawaiian Affairs on S.B. No. 404**

The purpose and intent of this measure is to add the Administrator of the Office of Hawaiian Affairs and one member of the public who is knowledgeable about issues relating to the criminal justice system and has substantial experience or expertise in traditional Native Hawaiian practices to the Corrections Population Management Commission.

Your Committees received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Community Alliance on Prisons, Association of Hawaiian Civic Clubs, and three individuals. Your Committees received comments on this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that in 2011, the Legislature established a task force to formulate policies and procedures to eliminate the disproportionate representation of Native Hawaiians in Hawaii's criminal justice system. The Corrections Population Management Commission, which is administratively attached to the Department of Public Safety, is an appropriate agency to conduct this examination because the Commission is devoted to finding solutions to improve Hawaii's criminal justice system. By including the Administrator of the Office of Hawaiian Affairs and a member of the public who is well-versed in Native Hawaiian traditions in the Commission, this measure will ensure that the active voice of the Native Hawaiian community is heard when addressing criminal justice policies and programs.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 404 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.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 321 Judiciary and Labor on S.B. No. 886**

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 Department of the Attorney General; International Longshore and Warehouse Union, Local 142; and League of Women Voters of Hawaii. Testimony in opposition to this measure was submitted by the Department of the Prosecuting Attorney, City and County of Honolulu; and one private individual. The Office of the Public Defender 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. 886 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; Ayes with Reservations (Gabbard). Noes, none. Excused, none.

**SCRep. 322      Judiciary and Labor on S.B. No. 870**

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 a child by:

- (1) Specifying types of force that are presumed unjustifiable; and
- (2) Altering the state of mind requirement with respect to other types of force to impose a requirement that the force used does not intentionally, knowingly, recklessly, or negligently create a risk of causing substantial bodily injury, disfigurement, extreme pain or mental distress, or neurological damage.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Office of the Prosecuting Attorney, County of Kaua'i; and IMUA Alliance. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that 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 that the force is reasonable or moderate. However, according to the Department of the Prosecuting Attorney of the City and County of Honolulu, courts and attorneys have struggled with properly interpreting and applying the parental discipline defense. This measure clarifies the parental discipline defense by specifying the types of force that are not appropriate for the purpose of safeguarding or promoting the welfare of a minor.

Your Committee notes the concerns raised by the Office of the Public Defender with respect to the vagueness in applying the limitations to the parental discipline defense, which may potentially cause confusion among litigants in court. Furthermore, creating an irrebuttable presumption relating to certain types of force takes the decisions away from the trier of fact and adds an element of strict liability to the defense. The Office testified that the decision on whether a form of corporal punishment is permissible under the parental discipline defense should be appropriately made by a jury.

In balancing the need to clarify the parental discipline defense with the concern that creating an irrebuttable presumption may result in unintended legal consequences, your Committee further finds that this measure should be amended to create a rebuttable presumption regarding the specified types of physical force. A rebuttable presumption gives particular effect to certain group of facts in absence of further evidence and shifts the burden of proof to the defendant to show evidence to contradict the facts presumed. Your Committee believes that the types of force specified under this measure merit further discussion as this measure moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Establishing a rebuttable presumption that specified types of physical force when used to discipline minors are not justified;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 870, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 323      Judiciary and Labor on S.B. No. 880**

The purpose and intent of this measure is to require the court to impose a mandatory minimum term of imprisonment without the possibility of parole or probation for a person convicted of certain acts of sexual assault against a minor under the age of twelve years.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; Office of the Prosecuting Attorney, County of Kaua'i; IMU Alliance; and two private individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender and American Civil Liberties Union of Hawai'i.

Your Committee finds that according to the "Sexual Assault Victims in Honolulu, A Statistical Profile", during the eleven-year period between 1990 and 2001, the Sex Abuse Treatment Center assisted an average of four hundred sixty victims per year in Honolulu, with almost one-third of the victims under the age of twelve. Specifically, of the approximately four hundred sixty victims each year, 18.8 percent of the victims are between the ages of zero and five, and 13.7 percent of the victims are between the ages of six to eleven. This measure helps to curb sexual assault on minors in Hawaii by creating mandatory minimum terms of imprisonment for any person convicted of sexual assault in the first, second, or third degree where the victim was subjected to sexual penetration. The Department of the Prosecuting Attorney of the City and County of Honolulu clarified that this measure is focused on offenders who are

convicted of certain sexual offenses that involve sexual penetration of a minor under the age of twelve and excludes statutory sexual offenses and sexual offenses solely involving sexual contact.

The Office of the Public Defender and the Department of the Prosecuting Attorney of the City and County of Honolulu have differing opinions on certain issues in this measure. Your Committee notes the concern raised by the Office of the Public Defender that this measure may force more child victims to go through a trial where they will be required to relive the sexual assault in a public setting in the presence of their perpetrator. However, the Department of the Prosecuting Attorney of the City and County of Honolulu testified that deputy prosecutors are trained to prepare child victims to testify in court and that the experience to testify against their perpetrator can be an empowering experience for them.

The Office of the Public Defender testified that the Hawaii Paroling Authority should continue to bear the responsibility to assess each case and determine the minimum and maximum terms for a convicted felon to serve. Furthermore, in cases where the defendant is charged with a class B or class C felony, the chance of serving probation in lieu of imprisonment is an incentive for the defendant to plead guilty thereby expediting a resolution. The defendant may also be required under the terms of probation to receive certain program services. A convicted felon serving a minimum mandatory prison sentence is not eligible for these types of programs. However, the Department of the Prosecuting Attorney of the City and County of Honolulu testified that defendants charged with certain acts of sexual assault against a minor under the age of twelve do not deserve probation for the type and nature of the crime committed.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 880, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 880, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 324      Judiciary and Labor on S.B. No. 890**

The purpose and intent of this measure is to allow the Governor to appoint an acting member to serve on the Hawaii Labor Relations Board in the event that a regular board member is temporarily unable to act due to recusal.

Your Committee received testimony in support of this measure from the Department of the Attorney General, University of Hawaii Professional Assembly, and one private individual.

Your Committee finds that existing law requires three members to serve on the Hawaii Labor Relations Board to ensure that collective bargaining is conducted in accordance with collective bargaining laws. Any action taken by the Board is done by simple majority. However, in the event that a board member recuses the member's self and the remaining board members cannot agree, the Board may be deadlocked and unable to act. This measure addresses the elimination of a tiebreaker by allowing the Governor to appoint an acting board member to serve on the Board in the event that a regular board member is unable to act upon a matter due to recusal.

Your Committee has amended this measure by:

- (1) Adopting the language suggested by a private individual that clarifies that the acting member appointed due to a regular board member's recusal shall be appointed for the case in which the recusal occurred and that the acting member's appointment terminates when a final decision is filed or the case is withdrawn;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 890, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 890, 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. 325      Judiciary and Labor on S.B. No. 1016**

The purpose and intent of this measure is to update the covered offender registration law to clarify provisions, address issues that have arisen in the implementation of the covered offender registration law, and continue efforts in complying with the federal Sex Offender Registration and Notification Act. Specifically, this measure:

- (1) Makes several amendments to the definitions section of the covered offender registration law by:
  - (A) Defining foreign convictions and tribal convictions to comply with the federal requirements under the Sex Offender Registration and Notification Act;
  - (B) Defining "attorney general", "chief of police", and "out-of-state conviction" for clarity purposes;
  - (C) Defining "permanent residence" and "temporary residence" for purposes of clarifying covered offender registration requirements and specifying that a permanent residence or temporary residence does not include a motor vehicle;

- (D) Amending the definition of “conviction” to clarify that for purposes of covered offender registration, a conviction occurs on the date the judgment is entered;
  - (E) Amending the definitions of “crime against minors” and “sexual offense” to include comparable foreign and tribal convictions to comply with the requirements under the federal Sex Offender Registration and Notification Act, and further amending the definition of “sexual offense” to include any convictions for offenses from other jurisdictions that subjected the offender to covered offender registration and notification in the jurisdiction of the conviction; and
  - (F) Repealing the definitions of “mental abnormality”, “personality disorder”, and “predatory” as these terms are no longer applicable;
- (2) Makes several amendments to the registration requirements law by:
- (A) Clarifying that covered offenders, whether or not residents of Hawaii, who remain in Hawaii for more than ten days or for an aggregate period exceeding thirty days in one calendar year, are required to register with the Attorney General;
  - (B) Repealing the provision that requires covered offenders from other jurisdictions, who were subject to registration or public notification requirements in the other jurisdiction, to register in Hawaii to conform to the proposed amendments under this measure; and
  - (C) Clarifying the registration information required of a covered offender regarding the place of residence;
- (3) Amends the law relating to the duties upon discharge, parole, or release of a covered offender to clarify that the court’s responsibility to advise a covered offender of the registration requirements and to start the registration process begins after sentencing and the entry of a judgment;
- (4) Makes several amendments to the periodic verification of registration information law by:
- (A) Requiring covered offenders who register permanent residence addresses to which mail can be delivered, or a permanent residence with a registered post office box, to verify their registration information every ninety days;
  - (B) Requiring covered offenders who register a temporary residence address, a description of a place with no mailing address, no place of residence, or a permanent address to which the United States Postal Service will not deliver mail to report once a month to the Chief of Police to verify their registration information; and
  - (C) Repealing the provision that refers to a violation of the covered offender registration law if the covered offender fails to mail the periodic verification form to the Attorney General within ten days after receipt of the form in order to avoid a conflict with other existing sections of the covered offender registration law;
- (5) Amends requirements regarding registering a change in registration information in order to conform to the proposed amendments made to the periodic verification of registration information requirements under this measure;
- (6) Makes several amendments to the law relating to the failure to comply with covered offender registration requirements by:
- (A) Creating a new offense for those covered offenders who register a temporary address or no address and fail to report once a month to the Chief of Police to verify the registration information;
  - (B) Creating a new offense for those covered offenders who are required to report once a month to the Chief of Police and fail to disclose every location where the covered offender has slept in the previous month; and
  - (C) Adding an affirmative defense for a covered offender who fails to comply with registration requirements if the covered offender was in custody or civilly committed; and
- (7) Makes several amendments to the termination of registration requirements by:
- (A) Amending tier 3, tier 2, and tier 1 offenses to include the proposed amendments relating to covered foreign and tribal offenses under this measure; and
  - (B) Creating a residual category under the tier 1 offenses to categorize any covered offenses that are not clearly included within the existing tiered offenses classification.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Department of the Prosecuting Attorney, County of Maui; Police Department, County of Maui; Police Department, County of Hawai‘i; Police Department, City and County of Honolulu; and The Sex Abuse Treatment Center. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that this measure will facilitate the State in becoming an active and effective participant in the nationwide network of state sex offender registries that are created to protect the public. The Department of the Attorney General indicated in its written testimony that this measure has the unanimous support of the Hawaii Law Enforcement Coalition comprised of the chiefs of police of all four counties, the prosecuting attorneys of all four counties, the Attorney General, and the United States Attorney for the District of Hawaii.

However, your Committee notes the concerns raised by the Office of the Public Defender. The Office expressed the following concerns regarding excluding motor vehicles from the definitions of “permanent residence” and “temporary residence”; using the term “federally recognized” to define a tribal conviction; confusing language relating to federal, military, out of state, tribal, or foreign convictions; requiring covered offenders who are homeless to report in person to the Chief of Police once a month; making it a violation for these same homeless covered offenders who fail to report once a month every location where the covered offenders slept in the previous month; and creating an affirmative defense to a violation that the covered offender was either in custody or was judicially committed.

Your Committee worked with the Department of the Attorney General and Office of the Public Defender to discuss the concerns that the Office indicated and develop language that both entities could agree upon. Your Committee notes that they were able to agree on language to resolve all but one concern regarding excluding motor vehicles as a permanent or temporary residence. The Office believes that residing in a motor vehicle should not deny a covered offender a permanent or temporary resident status. However, the Department indicated that because a motor vehicle allows a covered offender to move to various locations at any time, this movement makes it more difficult to keep track of these covered offenders. Your Committee agrees with the Office but recognizes the reasons presented by the Department.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language agreed upon by the Department of the Attorney General and Office of the Public Defender, which:
  - (A) Clarifies that a tribal conviction means a conviction by a tribal court of an Indian tribe recognized by the government of the United States rather than a tribal court of a federally recognized Indian tribe;
  - (B) Deletes confusing language relating to federal, military, out of state, tribal, or foreign convictions under the definition of “sexual offense”;
  - (C) Requires covered offenders who register a temporary residence address, a description of a place with no mailing address, or no place of residence to report to the Chief of Police to verify their registration information during the first week of the months of January, April, July, and October of every year rather than once every month;
  - (D) Deletes the violation for covered offenders with a temporary residence or no residence who fail to report once a month every location where the covered offenders slept in the previous month; and
  - (E) Amends language that creates an affirmative defense for a covered offender who fails to comply with registration requirements if the covered offender was in custody or civilly committed to clarify that if the defendant intends to rely on this defense, the defendant is required to file a pretrial motion and notify the prosecutor and court;
- (2) Adopting the language developed by the Office of the Public Defender that deletes the exclusion of a motor vehicle under the definitions of “permanent residence” and “temporary residence”;
- (3) Making conforming amendments to the definition of “registration information” and section 806-83(a), Hawaii Revised Statutes, to properly account for the amendments made to the covered offender registration law;
- (4) Inserting an effective date of July 1, 2050, to encourage 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. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1016, 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. 326 Commerce and Consumer Protection on S.B. No. 1072**

The purpose and intent of this measure is to update the Insurance Code by streamlining and improving the operations of the Insurance Division of the Department of Commerce and Consumer Affairs and ensuring that the Insurance Division retains its accreditation with the National Association of Insurance Commissioners.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawaii Captive Insurance Council; Artex Risk Solution, Inc.; and Strategic Risk Solutions, Inc. Your Committee received testimony in opposition to this measure from State Farm Mutual Automobile Insurance Company and National Association of Mutual Insurance Companies. Your Committee received comments on this measure from the American Council of Life Insurers.

Your Committee finds that this measure updates the Insurance Code and includes amendments to certain provisions of the Insurance Code that relate to risk retention captive insurance companies domiciled in Hawaii under the State’s captive insurance law. This will permit the State to maintain its accredited status with the National Association of Insurance Commissioners.

Your Committee has heard the concerns that the ten-day deadline to request an administrative hearing, as proposed by this measure, may be an impractical time frame within which insurers can review all the implications of a regulatory decision. Your Committee notes that the Insurance Division currently provides parties with reasonable time to request a hearing in accordance with the Hawaii Administrative Procedures Act, chapter 91, Hawaii Revised Statutes. Your Committee concludes that because insurers may have difficulties finalizing an application for a hearing on a complicated regulatory issue within a ten-day period, the flexibility of a reasonable time to request a hearing would be more appropriate.

Your Committee also finds that an amendment to this measure is necessary to include the applicability of section 431:3-408, Hawaii Revised Statutes, to risk retention captive insurance companies. This section of the Hawaii Revised Statutes is an important component of the National Association of Insurance Commissioner’s model act relating to risk-based capital and relates to the confidentiality of risk-based capital reports and related documents.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that would have established a ten-day deadline to request an administrative hearing under section 431:2-308(d), Hawaii Revised Statutes;

- (2) Clarifying that the Insurance Code provisions made applicable to risk retention captive insurance companies by this measure also include section 431:3-408, 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1072, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1072, 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. 327 Commerce and Consumer Protection on S.B. No. 1073**

The purpose and intent of this measure is to establish the licensing and regulation of dental service corporations under the Insurance Commissioner.

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 Dental Association.

Your Committee finds that under the federal Patient Protection and Affordable Care Act, beginning in 2014, all health plans will include a pediatric dental component. Your Committee further finds that stand alone dental plans will be able to be sold through Hawaii's health insurance exchange, known as the Hawaii Health Connector. However, a dental insurer must be licensed prior to selling a stand alone dental plan on the Hawaii Health Connector. This measure creates a licensing requirement for dental insurers to enable the dental insurers to sell dental plans on the Connector, places dental insurers under insurance regulation, and establishes financial solvency oversight for consumer protection.

Your Committee has heard the concerns that this measure would repeal the existing statutory authority for the formation and corporate structure of dental service corporations in the State. Your Committee therefore concludes that amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Amending the title of the new chapter to "Dental Insurers", to avoid a conflict with chapter 423, "Dental Service Corporations", and making conforming substitutions for the term "dental service corporation" with the term "dental insurer";
- (2) Specifying that dental insurers are required to adopt provisions for the coordination of benefits;
- (3) Removing language that would have repealed chapters 423 and 448D, Hawaii Revised Statutes;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure is the result of a compromise between the Insurance Division of the Department of Commerce and Consumer Affairs and interested stakeholders.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1073, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1073, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 328 Commerce and Consumer Protection on S.B. No. 1261**

The purpose and intent of this measure is to apply a reduced gallonage tax on the first sixty thousand barrels of beer brewed or produced per year by a small brewery or brewpub in the State.

Your Committee received testimony in support of this measure from Maui Brewing Co. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii's local brewers, those brewers that brew one hundred percent of their product in Hawaii, account for less than two percent of all beer sold in Hawaii. Your Committee further finds that the extremely high cost of production and manufacturing, in comparison to production and manufacturing on the mainland, has made it increasingly difficult for local Hawaii brewers to grow and remain competitive.

Your Committee additionally finds that this measure will support the growing craft beverage industry in Hawaii, promote manufacturing jobs, and encourage the growth of small businesses. A lower gallonage tax on small breweries and brewpubs will reduce the tax bill for small breweries and brewpubs, while also creating an incentive for these companies to grow their companies locally and become more competitive with brewers on the mainland. Other states with thriving craft beverage industries, including Oregon, Colorado, and Washington, have had success with reduced gallonage tax rates and subsequent job growth. Your Committee also finds that this measure should be viewed as an investment for job creation and promotion of manufacturing in Hawaii.

Your Committee has heard the concerns that this measure will impose additional administrative costs on the Department of Taxation. The modified tax treatment proposed by this measure will require the Department of Taxation to distinguish between small and large brewers, closely track the amounts of beer brewed, and apply two rates of tax to some brewers. Your Committee concludes that amendments to this measure are necessary to place the lower tax rate within the existing liquor tax structure. This will maintain the current structure and operation of the liquor tax and avoid additional administrative burdens on the Department of Taxation.



Your Committee also concludes that amendments to the definition of “small brewery or brewpub” are necessary to clarify that the lower tax rate will apply only to a “small brewery or brewpub”, which is defined as a brewery or brewery pub that brews or produces sixty thousand barrels of beer or less per taxable year. These amendments are necessary to avoid two rates of tax on some brewers and any potential Commerce Clause issues.

Accordingly, your Committee has amended this measure by:

- (1) Amending the definition of “small brewery or brewpub”;
- (2) Establishing a tax rate within the existing liquor tax structure under section 244D-4(a), Hawaii Revised Statutes, of twenty-three cents per wine gallon on draft beer and beer other than draft beer that is brewed or produced by a small brewery or brewpub, rather than creating a new section related to tax and small breweries and brewpubs in chapter 244D, Hawaii Revised Statutes, and making conforming amendments; 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. 1261, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1261, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 329 (Joint) Water and Land and Tourism and Hawaiian Affairs on S.B. No. 568**

The purpose and intent of this measure is to repeal the maximum allowable taking of one gallon per person per day of sand, dead coral, coral rubble, rocks, soil, or other marine deposits from the shoreline area or seaward of the shoreline, except for materials inadvertently taken, and exempts responses to public emergencies and disasters, as well as traditional cultural practices.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and three individuals. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that Hawaii’s beach sand sources are diminishing daily due to erosion, inappropriate shoreline armoring, and illegal sand mining. If residents want sand for household uses, they can purchase inland sand deposits or manufactured sand from various commercial sources. The amount of sand alone that can be pilfered, even at one gallon per day each by several individuals repeatedly, is staggering. By disallowing the intentional taking of up to one gallon of sand and other marine deposits per person per day, this measure protects marine deposits as precious natural resources.

As affirmed by the records of votes of the members of your Committees on Water and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 568 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.

Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

**SCRep. 330 (Joint) Water and Land and Tourism and Hawaiian Affairs on S.B. No. 1169**

The purpose and intent of this measure is to clarify the offenses for which property is subject to forfeiture under chapter 6K, Hawaii Revised Statutes, relating to the Kaho’olawe Island Reserve, including any activity prohibited by rules of the island reserve and any violation of rules regulating fishing in waters within the island reserve, and to clarify that property seized pursuant to conservation and resources enforcement actions may be forfeited and disposed of as provided by law.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Kaho’olawe Island Reserve Commission, and Office of Hawaiian Affairs. Your Committees received testimony in opposition to this measure from the Ocean Tourism Coalition. Your Committees received comments on this measure from the Attorney General.

Your Committees find that this measure serves as a deterrent to conservation and natural resource violations, thus strengthening the enforcement powers of the Department of Land and Natural Resources and protecting the natural resources of the island reserve.

Your Committees agree with the concerns expressed by the Ocean Tourism Coalition that forfeiture is not intended to be used for inadvertent acts or emergency entries onto the island reserve.

Your Committees have amended this measure by:

- (1) Clarifying that this measure does not apply to violations of rules regulating fishing in waters within the island reserve by persons or vessels within one nautical mile of the boundaries of the island reserve, on the recommendation of the Kaho’olawe Island Reserve Commission; 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 and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1169, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1169, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

**SCRep. 331 (Joint) Water and Land and Tourism and Hawaiian Affairs on S.B. No. 1371**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to accommodate the mooring of native Hawaiian canoes owned by nonprofit entities and used for educational purposes in small boat harbors, insofar as practicable.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Association of Hawaiian Civic Clubs, and one individual.

Your Committees find that the traditional native Hawaiian practice of using native Hawaiian canoes needs to be preserved and perpetuated in the interests of promulgating the native Hawaiian culture. Mooring of native Hawaiian canoes in small boat harbors is a practical necessity, especially for a nonprofit entity operating native Hawaiian canoes for educational purposes.

Your Committees have amended this measure by:

- (1) Deleting the phrase "insofar as practicable," which may severely limit the availability of moorings; 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 and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1371, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1371, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

**SCRep. 332 (Joint) Water and Land and Transportation and International Affairs on S.B. No. 1161**

The purpose and intent of this measure is to clarify that all costs and expenses associated with the impoundment of an unauthorized vessel by the Department of Land and Natural Resources shall be borne by the vessel owner and to specify circumstances under which no vessel registration shall be renewed or transferred.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources.

Under existing law, the burden, along with the costs and expenses of impoundment and disposal of all unauthorized vessels, is on the Department of Land and Natural Resources when a vessel owner does not repossess an impounded vessel prior to disposition. The process is costly and time-consuming for the Department. The State is also not entitled to recover mooring fees incurred by the vessel owner prior to impoundment.

Your Committees find that that in the case of a vessel owner who is in violation of mooring within a state small boat harbor or offshore mooring area, the vessel owner should have a continuing obligation to pay for the consequences.

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 and Land 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. 1161, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1161, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

Transportation and International Affairs

Ayes, 7. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 333 Water and Land on S.B. No. 1372**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the Department Of Land and Natural Resources, in consultation with Hawaiian Islands Land Trust, to engage in efforts to acquire the parcel of land located at Lipoa Point.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and seven individuals.

Your Committee finds that Lipoa Point-Honolua on the island of Maui is one of the most iconic landmarks in Hawaii. Honolua is rich in marine resources and historical and archaeological sites and is one of the most popular recreational areas for locals and tourists alike, offering some of the best snorkeling and surfing conditions on the island of Maui. Nationally recognized as a marine preserve, it has attracted federal funding and programs for having some of the highest fish assemblage characteristics of all the Hawaiian islands. Additionally, Honolua is considered to have one of the most diverse, unique, and abundant reef formations, providing a habitat for rare coral species.

According to testimony of the Department of Land and Natural Resources, Maui Land and Pineapple Company, Inc., is a willing seller, and the Hawaiian Islands Land Trust is hiring an appraiser to provide a letter of appraisal and eventually a full appraisal of the subject property. Hawaiian Islands Land Trust intends to apply for state grant funding for the due diligence process. The Department is continuing discussions with the Hawaiian Islands Land Trust regarding the acquisition of the subject property subject to approval of the Board of Land and Natural Resources under section 171-30, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Mandating the Department of Land and Natural Resources to invite participation of the appropriate government agencies and nonprofit organizations to achieve the acquisition and protection of Lipoa Point through collaborative partnerships; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1372, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1372, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ihara). Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

**SCRep. 334 (Majority) Public Safety, Intergovernmental and Military Affairs on S.B. No. 69**

The purpose and intent of this measure is to make an appropriation to the county police departments to establish gun buy-back programs with the goal of reducing the number of firearms in the community.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Office of the Prosecuting Attorney, Hawaii County; Police Department, County of Kauai; and two individuals. Your Committee received testimony in opposition to this measure from the National Rifle Association, Hawaii Rifle Association, Valley Isle Sport Shooters, and numerous individuals.

Your Committee finds that under existing law, a person arriving in the State with a firearm is required to register the firearm, but no permit process or background check is required. Therefore, individuals who might have been prohibited from acquiring a firearm in Hawaii can acquire a firearm outside of Hawaii, where a permit process or extensive background check may not be required, then possess and be considered registered firearm owners after registering with the county police department. Your Committee finds that an amendment to this measure is necessary to close this loophole by requiring individuals arriving in the State with firearms to undergo a background check before registering a firearm with the county police department.

Your Committee has amended this measure accordingly by:

- (1) Deleting the appropriation for the establishment of a gun buy-back program;
- (2) Inserting language to require county police departments to fingerprint, photograph, and perform background checks on individuals who wish to register a firearm that was procured out-of-state, with certain exceptions; authorize the police departments to assess a fee for conducting a fingerprint check in connection with the registration; and specifying the amount of the fee;
- (3) Inserting language to appropriate a total of \$200,000 to the county police departments to develop various gun safety programs, including gun safety education and training; extensive background checks for mental health concerns for certain individuals wishing to register guns; and gun buy-back programs;
- (4) Amending section 1 of this measure to reflect its amended purpose; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 69, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 69, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Baker).

**SCRep. 335 (Joint) Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.B. No. 75**

The purpose and intent of this measure is to:

- (1) Require the Department of Public Safety to establish a two-year Hawaii's opportunity parole with enforcement pilot program for no more than twenty inmates to be subject to high-intensity parole supervision;
- (2) Require the Hawaii Paroling Authority to report to the Legislature regarding the parole pilot program; and
- (3) Make an appropriation for the parole pilot program.

Your Committees received testimony in support of this measure from the Department of Public Safety, Hawaii Paroling Authority, and Community Alliance on Prisons.

Your Committees find that probationers often fail to appear for scheduled appointments with their probation officers, decline to take mandatory drug tests, or test positive for illegal drug use. Studies show that as many as half of all probationers break the law again.

The parole pilot program would replicate the successful Hawaii's Opportunity Probation with Enforcement (HOPE) program, which was instituted in 2004 to impose sanctions for each probation violation. The HOPE program has reduced recidivism and has made a large contribution to reducing the prison population.

Your Committees have amended this measure by replacing the Department of Public Safety with the Hawaii Paroling Authority as the entity that will establish and administer the parole pilot program.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental 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. 75, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 75, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Green).

Judiciary and Labor  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 336 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1179**

The purpose and intent of this measure is to:

- (1) Provide for the filing of a petition for involuntary medical treatment in either the district or circuit court;
- (2) Allow a licensed physician or psychologist to file a declaration, as an alternative to an affidavit;
- (3) Expand the court's ability to continue the hearing on the petition for good cause;
- (4) Give the court more flexibility in deciding when a guardian ad litem is necessary;
- (5) Increase the time within which a person must be examined by a licensed physician or psychologist from two days to five days prior to filing of the petition;
- (6) Amend the list of persons who must be notified of the petition; and
- (7) Clarify the effective expiration date of the order for persons who return to custody after release.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of the Attorney General.

Your Committee finds that this measure allows for a more efficient and responsive court process, enabling medical staff in various correctional facilities to provide critical and necessary medical treatment in a more timely fashion. This measure will help to improve the mental and physical status of inmates. Furthermore, this measure expedites the notification process by restricting notification to those parties whom the inmate has designated as their emergency contact or their legal guardian while in the custody of the Department of Public Safety.

Your Committee has amended this measure by:

- (1) Deleting the word "shelter" from the definition of "Danger of physical harm to self"; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1179, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 337 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1181**

The purpose and intent of this measure is to:

- (1) Add child support payments as obligations for inmates on furlough who are employed; and
- (2) Specify the percentage of earnings that shall be deducted to satisfy outstanding orders regarding restitution, crime victim compensation, other fees and fines, and child support and reimbursement to the State for the cost of room and board.

Your Committee received testimony in support of this measure from the Department of Public Safety, Department of the Attorney General, and one individual.

Your Committee finds that child support orders are not included in statute as financial obligations for committed persons on furlough who are employed outside of the correctional facility. However, the Department of the Attorney General testified that

limiting the amount of net monthly earnings or amount ordered that can be withheld for child support orders to thirty percent may cause the State to be noncompliant with federal law.

Your Committee has amended this measure accordingly by:

- (1) Deleting the language limiting the amount of child support to be paid at thirty percent of the net monthly earnings or the amount ordered, whichever is less, and deleting the definition of "net income"; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1181, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1181, 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 (Galuteria, Slom).

**SCRep. 338 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1183**

The purpose and intent of this measure is to:

- (1) Require intake service centers to provide pretrial bail reports to the courts on adult offenders that are consented to by the defendant or that are ordered by the court;
- (2) Provide statutory authority to the courts to treat information contained in the pretrial bail reports as confidential; and
- (3) Repeal the intake service centers' duty to assist in the conduct of presentence assessments on adult offenders and the preparation of presentence reports when requested by the courts.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that this measure provides clear language in identifying the intake service centers' core responsibility in providing bail reports to the court. This measure will allow courts to receive detailed information, such as the defendant's medical, mental health, and substance abuse history, to assist with pretrial release decision-making. This measure will also protect defendants from having the confidential information contained in these reports made public, thereby exposing them to potential identity theft.

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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1183, 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 (Galuteria, Slom).

**SCRep. 339 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 1068**

The purpose and intent of this measure is to:

- (1) Authorize the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs to require money transmitters to register with NMLS;
- (2) Establish procedures for a licensed money transmitter to surrender its license; and
- (3) Amend the bond requirement, fee structure for services provided by the Division of Financial Institutions of the Department of Commerce and Consumer Affairs for the regulation of money transmitters, and the fine for violations of money transmitter regulations.

Your Committees received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs.

Your Committees find that the Money Transmitter Act, codified as chapter 489D, Hawaii Revised Statutes, was originally enacted in 2006 to protect consumers of money transmission services and prevent money transmission from being used to facilitate illegal activities. This measure will enable the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs to more effectively enforce the money transmitters law and more appropriately supervise, regulate, and examine licensees.

Your Committees further find that money transmitters in Hawaii post an initial surety bond, letter of credit, or similar security device in the amount of \$1,000. Hawaii's security device level is the lowest in the country. This measure increases the required security device to \$10,000 for the first twelve months of licensure, which realistically reflects the risk associated with new money transmitter companies and is consistent with levels required by other states.

Your Committees additionally find that the Division of Financial Institutions regulates forty-two money transmitters in the State. The Division of Financial Institutions has indicated that examinations on all money transmitters have not yet been completed because of the need for additional funding and staff. The Division has also indicated that the fee changes proposed by this measure are based on the Division's need to appropriately carry out its mission. The Division is responsible for the licensure, examination, and supervision of state-chartered and licensed banks, trust companies, savings and loan associations, financial services loan companies, credit unions, escrow depositories, money transmitters, mortgage servicers, mortgage loan originators, and mortgage loan originator

companies. It is the only entity that monitors the regulatory compliance, safety, and soundness of these industries; the federal government does not provide this oversight.

The Division of Financial Institutions has further indicated that a guiding principle of the Division is to ensure that revenues from each program are sufficient to cover the Division's costs of operating that program. Unfortunately, the money transmitter program ran a deficit of \$66,675 in fiscal year 2011. The program had a surplus of \$18,941 in fiscal year 2012, which when applied to the fiscal year 2011 deficit, resulted in a two-year shortfall of \$47,734. It is therefore clear that the money transmitter program is fiscally unsustainable under the existing fee schedules set by chapter 489D, Hawaii Revised Statutes.

Your Committees conclude that the fee changes proposed by this measure are necessary and appropriate and will enable the Division of Financial Institutions to continue to carry out its legislatively mandated duties.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1068, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1068, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

Judiciary and Labor  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 340 (Joint) Tourism and Hawaiian Affairs and Water and Land on S.B. No. 402**

The purpose and intent of this measure is to authorize the Office of Hawaiian Affairs to conduct a financial review of the State's compliance with section 5 of Act 178, Session Laws of Hawaii 2006.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs and Association of Hawaiian Civic Clubs. Your Committees received comments on this measure from the Department of the Attorney General and Department of Land and Natural Resources.

Your Committees find that all state agencies that use or manage public trust land must report revenues generated from the use of that land pursuant to Act 178, Session Laws of Hawaii 2006. For the first time since Act 178 was enacted, in 2012, all state agencies identified as managing public trust land provided an accounting of revenues generated. Gaps in the information produced, however, show reporting discrepancies and produce questions supporting the need for an audit.

Your Committees have amended this measure by:

- (1) Requiring that all requests to state agencies for information related to the financial review conducted pursuant to this measure shall be responded to within thirty days of the request; 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 Tourism and Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 402, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 402, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

**SCRep. 341 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.B. No. 16**

The purpose and intent of this measure is to:

- (1) Require the appropriate county permitting agency, rather than the Energy Resources Coordinator, to receive and process applications for variances for the solar water heating system requirement for building permits;
- (2) Require each respective county council to establish procedures and standards by which its respective county permitting agency approves, approves with conditions, or disapproves variances; and
- (3) Clarify existing solar water heater variance application procedures.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Association of Realtors; Sierra Club Hawaii Chapter; Blue Planet Foundation; and one individual. Your Committees received testimony in opposition to this measure from the County of Maui, Hawaii Gas, and one individual.

Your Committees find that county permitting agencies, rather than the state Energy Resources Coordinator, should have the responsibility to process solar water heating system variance applications because the county permitting agencies are closer to the particular conditions of the various geographic regions and climatic peculiarities of their respective counties.

Your Committees have amended this measure by:

- (1) Changing the term “variance” to “waiver” wherever it is used throughout the Act;
- (2) Authorizing the counties, rather than licensed architects and mechanical engineers, to set criteria for granting waivers; and
- (3) Clarifying the standards for demand water heaters.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 16, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 16, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 342 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1132**

The purpose and intent of this measure is to:

- (1) Clarify that the solid waste management surcharge applies to solid waste shipped outside the State for disposal;
- (2) Clarify that the solid waste management surcharge applies to waste disposed of at waste-to-energy facilities; and
- (3) Increase the solid waste management surcharge using a tiered structure commensurate with the impact of the means of disposal on the Department of Health.

Your Committees received testimony in support of this measure from the Department of Health.

Your Committees find that the solid waste disposal surcharge has not been raised since 1997, despite a growing workload for program staff and a twenty-five per cent reduction in staff. Your Committees note that currently the solid waste disposal surcharge is not collected on the solid waste disposed at waste-to-energy facilities or shipped out of the State for disposal, despite the fact that the Department of Health permits and regulates these facilities. Your Committees find it necessary to increase the solid waste disposal surcharge to fund the Department of Health’s regulatory oversight of these facilities, and further find it necessary to apply the surcharge to those facilities that are currently excluded from its application to fund the regulatory oversight those facilities require.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1132 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.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 343 Energy and Environment on S.B. No. 15**

The purpose and intent of this measure is to repeal the ten percent ethanol gasoline content requirement and require instead that biofuels account for ten percent of all liquid fuels for motor vehicles sold by a distributor.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Renewable Energy Alliance; Pacific Biodiesel; Big Island Biodiesel; Marine Source, LLC; and one individual. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from Western States Petroleum Association.

Your Committee finds that the original intent of Act 257, Session Laws of Hawaii 1997, was to require that gasoline sold in the State contained ten percent ethanol to meet the State’s goals of energy independence from foreign oil, improvement of Hawaii’s natural environment, and establishment of locally produced ethanol. Your Committee finds that despite several planned ethanol plants, no plants have been built, leaving the State to depend on costly imported ethanol to meet the ethanol mandate.

Your Committee further finds that the natural environment of Hawaii offers the opportunity and potential to grow and use high-yield agricultural crops to produce a wide array of biofuels that can be manufactured into a cleaner burning substitute for ethanol in gasoline. Your Committee finds that the production and use of locally produced biofuels will assist the State in meeting its goals of energy independence from foreign oil, environmental improvement, and the establishment of local production facilities.

Your Committee has amended this measure by:

- (1) Changing the requirement that all distributors of liquid fuels in the State ensure that biofuels account for ten percent of their sales to a requirement that liquid fuels sold in the State for motor vehicle use contain at least five percent biofuels by volume, with exceptions as provided by the Director of Business, Economic Development, and Tourism;
- (2) Changing the reporting requirements of fuel distributors;
- (3) Changing the definition of “biofuel”; 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. 15, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 15, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 344 Energy and Environment on S.B. No. 615**

The purpose and intent of this measure is to prohibit the sale of genetically engineered fish or genetically engineered fish products in the State beginning January 1, 2014, unless appropriately labeled as genetically engineered or produced or partially produced with genetic engineering.

Your Committee received testimony in support of this measure from Label It Hawaii; Hawaii Organic Farming Association; Ililani Media; Asia-Pacific Center for Regenerative Design; Seeds of Truth; Haiku Aina Permaculture Initiative; Hawaii Wildlife Fund; GMO Free Maui; GMO Free Oahu; GMO Free Big Island; Sierra Club, Hawaii Chapter; GMO Free Kauai; Hawaii SEED; Down to Earth Organic and Natural; Mehana Consulting; Hawaii Organic Farming Association; and seventy-nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association, Hawaii Crop Improvement Association, Hawaii Aquaculture and Aquaponics Association, and one individual. Your Committee received comments on this measure from Animal Rights Hawaii, Lanalani Farm, and three individuals.

Your Committee finds that more than thirty-five species of genetically engineered fish are under experimental development. These fish are engineered with various traits intended to, for example, give the fish the ability to grow more rapidly or resist certain diseases. In 2002, a committee of the National Academy of Sciences released a report on the potential risks and benefits of genetically engineered animals. The report found that salmon genetically engineered to grow more rapidly raised unique concerns, including the risk of negatively impacting populations of wild salmon. If genetically engineered fish escape containment they could pose additional environmental risks to stressed wild fish populations and coastal ecosystems by, among other things, imposing new competitive pressures for food and space, interfering with effective breeding and reproduction, and spreading disease.

Your Committee further finds that concerns about genetically engineered food include but are not limited to human health risks, negative environmental impacts on wildlife and ecosystems, and religious, ethical, and cultural dietary restrictions.

Your Committee further finds that proper labeling of genetically engineered food is a significant concern in Hawaii. In addition to locally grown food, Hawaii imports and consumes significant quantities of food from the mainland and from foreign countries. Given the potential sale of genetically engineered food, labeling of genetically engineered food should be addressed immediately. Hawaii’s citizens have the right to know whether the food they purchase are produced with genetic engineering so they can make informed purchasing decisions. Accurate and truthful labeling describing whether or not food is genetically engineered is the easiest and most protective practice, and it would provide additional transparency in the State’s food supply chain so that individuals can protect their health and Hawaii’s environment.

Your Committee has amended this measure by deleting its contents and inserting language to:

- (1) Prohibit the sale, offering for sale, or distribution of any genetically engineered whole food intended for human consumption within the State unless the genetically engineered whole food is labeled as such;
- (2) Specify labeling requirements;
- (3) Create exemptions for certain foods; and
- (4) Add definitions for “genetically engineered” and “genetically engineered whole food”.

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. 615, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 615, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 345 Energy and Environment on S.B. No. 17**

The purpose and intent of this measure is to levy the environmental response, energy, and food security tax on all liquid and gaseous fuels.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Health; Hawaii Natural Energy Institute; Conservation Council for Hawaii; Sierra Club Hawaii Chapter; Blue Planet Foundation; Ililani Media; and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.



The environmental response revolving fund is used to respond to and clean up hazardous materials released into the environment, protect state waters, and regulate solid and hazardous wastes. Your Committee notes that due to a variety of factors, there has been a steady decrease in the balance of the environmental response revolving fund. Your Committee finds that due to significant strains put on the environment from natural gas and coal importation and use in the State, it is necessary to extend application of the environmental response, energy, and food security tax to all liquid, gaseous, and solid fossil fuels, including natural gas and coal, to ensure that all fossil fuels are adequately taxed to fund appropriate environmental response and protection.

Your Committee has amended this measure by:

- (1) Adding a definition of “fossil fuel,” which includes all gaseous, liquid, or solid fossil fuels;
- (2) Taxing gaseous fossil fuels at 12 cents per 1,000 cubic feet and coal at \$4 per short ton, with certain exceptions, and making conforming amendments;
- (3) Amending the allocations of the environmental response, energy, and food tax collected to the environmental response revolving fund, energy security special fund, energy systems development special fund, and agricultural development and food security special fund;
- (4) Deleting the repeal date of the portion of Act 253, Session Laws of Hawaii 2007, as amended, that established chapter 304A, part IV, subpart N, Hawaii Revised Statutes, relating to the Hawaii Natural Energy Institute, and section 304A-2169, Hawaii Revised Statutes, relating to the energy systems development special fund; and
- (5) Appropriating monies out of the:
  - (A) Energy security special fund;
  - (B) Agricultural development and food security special fund; and
  - (C) Environmental response revolving fund.

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. 17, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 17, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 346 Energy and Environment on S.B. No. 623**

The purpose and intent of this measure is to:

- (1) Establish tax credits for solar energy property, wind energy property, competitive bid solar energy property, and wind energy property that is not part of a larger competitive bid wind energy property; and
- (2) Require the Department of Taxation and Department of Business, Economic Development, and Tourism to report tax credits claimed under section 235-12.5, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from Ulupono Initiative, Hawaii Solar Energy Association, Sunetric and two individuals. Your Committee received testimony in opposition to this measure from Sierra Club Hawaii Chapter, Energy Industries, Inter-Island Solar Electric, and two individuals. Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, SunRun, Hawaii PV Coalition, SunPower, Revolusun, Kairos Energy Capital, First Wind, and Rising Sun Solar Electric.

Your Committee finds that allowing tax credits for a portion of the cost of installing solar and wind energy systems promotes the State’s goals of energy independence from foreign oil and local renewable energy production. Your Committee notes, however, that the tax credits, as currently structured, have proved costly to the state treasury while not promoting renewable energy investment as the original statute intended. Your Committee finds that it is necessary to alter the tax credit structure to promote a more balanced approach that expands some credits while limiting costs to the State.

Your Committee has amended this measure by:

- (1) Raising the tax credit cap for solar energy property to \$500 per unit for multi-family residential property;
- (2) Altering tax credits for residential and non-utility-scale energy properties that step-down over time;
- (3) Altering tax credits for solar energy properties one megawatt and above;
- (4) Changing “solar or wind energy system” to “solar or wind energy property”;
- (5) Allowing certain solar and wind properties to keep existing tax credits if certain requirements are met;
- (6) Allowing condominium owners, cooperative housing corporations, and planned community associations to claim the tax credits under this measure;
- (7) Disallowing tax credits to certain organizations exempt from tax under section 501(a) of the Internal Revenue Code; 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 Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 623, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 623, 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. 347 Energy and Environment on S.B. No. 101**

The purpose and intent of this measure is to eliminate required increases to an agency's budget for energy expenditures in proportion to increases in the agency's overall budget during the term of a performance contract or project payment.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; and Department of Budget and Finance.

Your Committee finds that this measure is a housekeeping measure to eliminate the requirement that an agency's energy budget rise in proportion to any increase in the agency's overall budget for the duration of an energy efficiency retrofitting performance contract or payment term. Your Committee finds that providing energy budget increases to agencies without regard to need is unnecessary.

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. 101 and recommends that 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. 348 (Joint/Majority) Energy and Environment and Commerce and Consumer Protection on S.B. No. 620**

The purpose and intent of this measure is to require food service businesses to provide customers with an option to use compostable or reusable food containers provided by the restaurant for food.

Your Committees received testimony in support of this measure from Styrophobia, Sierra Club Hawaii Chapter, Surfrider Foundation, Sustainable Coastlines Hawaii, and seventeen individuals.

Your Committees received testimony in opposition to this measure from Hawaii Food Industry Association, American Chemistry Council, and one hundred individuals. Your Committees received comments on this measure from Down to Earth and one individual.

Your Committees find that many food service businesses in Hawaii use expanded polystyrene foam food containers for food that is taken out by customers. Your Committees find that expanded polystyrene foam food service containers are made from thermoplastic petrochemical materials containing styrene and may leach styrene into food that comes into contact with the containers, posing potential health hazards for people eating food carried in these containers.

Your Committees find that expanded polystyrene foam food containers do not biodegrade and, because of their expanded size, take up significant space in landfills. Your Committees note the popular support for alternative, compostable food service containers, but also recognize that there is no viable, commercial composting facility in the State. Because of these challenges, your Committees find it necessary to examine alternatives for non-compostable food service containers that may be used in place of expanded polystyrene foam food service containers.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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 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. 620, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 620, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 4. Noes, 1 (Slom). Excused, none.

Commerce and Consumer Protection  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Nishihara, Solomon, Taniguchi).

**SCRep. 349 Health on S.B. No. 637**

The purpose and intent of this measure is to require a product warning label on all food products containing aspartame that are offered for sale or distribution in the State.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the Department of Health, Hawaii Food Industry Association, Hawaii Restaurant Association, and one individual. Your Committee received comments on this measure from the American Beverage Association, Calorie Control Council, and International Food Information Council.

Your Committee finds that the artificial sweetener aspartame has been the subject of several controversies since the United States Food and Drug Administration first approved it in 1981. This measure addresses this issue by requiring a product warning label for aspartame on all food products offered for sale or distribution in the State.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 637 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 (Baker, Slom). Noes, none. Excused, none.

**SCRep. 350 Health on S.B. No. 138**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and make an appropriation for the planning, design, and construction of a new health care facility for the Kaheleaulani Native Hawaiian health program in North Hawaii.

The Department of Budget and Finance submitted comments.

Your Committee finds that in 2011, the North Hawaii Community Hospital established the Kaheleaulani Native Hawaiian health program to address the unmet medical needs of the Native Hawaiian population of North Hawaii. This measure provides funding for a new health care facility for the Kaheleaulani Native Hawaiian health program.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 351 Health on S.B. No. 640**

The purpose and intent of this measure is to:

- (1) Prohibit the manufacture, sale, or distribution of child care products and toys for young children that contain bisphenol-A or phthalates beginning on January 1, 2014;
- (2) Require manufacturers to choose safe alternatives for bisphenol-A or phthalates for child care products and toys for young children;
- (3) Prohibit the use of packages and packaging containing lead, cadmium, mercury, and hexavalent chromium beginning on January 1, 2014; and
- (4) Prohibit the Hawaii Health Systems Corporation from purchasing and using vinyl intravenous solution bags and vinyl tubing beginning on January 1, 2014.

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 American Chemistry Council.

Your Committee finds that there is a need to protect young children from exposure to phthalates and bisphenol-A, persistent and potentially toxic compounds. In July 2012, the United States Food and Drug Administration banned the use of bisphenol-A in infant feeding bottles and spill-proof cups. Previously, the National Toxicology Program at the National Institutes of Health and the Food and Drug Administration have expressed some concern about the potential effects of bisphenol-A on the brain, behavior, and prostate gland in fetuses, infants, and young children. The American Medical Association recently developed a policy supporting industry action to stop producing baby bottles and infant feeding cups containing bisphenol-A and supports a ban on the sale of such products.

Your Committee further finds that amounts of cadmium, lead, mercury, and hexavalent chromium from packaging are entering the municipal solid waste stream and ending up in landfills and incinerators. Nineteen states have already enacted legislation against toxics in packaging.

Your Committee has heard testimony expressing the advantages of including the additives in children's products, which allows the products to harden and over time become unbreakable to help prevent injury and reduce choking hazards for children. Others are concerned about the health impacts from the additives to children's products. Your Committee finds that this issue raises concerns and merits further consideration and requests that your Committee on Commerce and Consumer Protection further examine those concerns if it chooses to schedule this measure for a hearing.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 640, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 640, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Baker, Nishihara, Slom). Noes, none. Excused, none.

**SCRep. 352 (Majority) Health on S.B. No. 964**

The purpose and intent of this measure is to prohibit dental service organizations, mutual benefit societies, and health maintenance organizations from setting or recommending fees for services provided by a dentist unless they are covered services.

Your Committee received testimony in support of this measure from thirty-three individuals. Your Committee received testimony in opposition to this measure from Hawaii Dental Service, International Longshore and Warehouse Union Local 142, and Hawaii Medical Services Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that certain dental service insurance providers require that participating dentists agree to set fees for all services, including those not covered by the dental service plan. Your Committee finds that these requirements limit the amounts that dentists can charge for non-covered services, often resulting in dentists refusing to offer necessary services to patients because any cost above the provider's set fee is not recoverable by the dentist. Your Committee further finds that this practice forces patients to seek non-participating dentists to perform necessary procedures to the financial detriment of participating dentists. In order to protect dental patients and dentists throughout the State, your Committee finds it necessary to prohibit dental service insurance providers from setting fees for dental services not covered by a dental service plan.

Your Committee has amended this measure by inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 964, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 964, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Nishihara). Noes, 2 (Baker, Slom). Excused, none.

**SCRep. 353 Health on S.B. No. 1141**

The purpose and intent of this measure is to:

- (1) Establish a one-year limit on the length of time an individual may remain on conditional release if charged with a misdemeanor, petty misdemeanor, or violation;
- (2) Clarify under what circumstances the one-year conditional release status may be tolled pending an individual's hospitalization; and
- (3) Require public agencies in possession of information related to a defendant's fitness to proceed to provide the information to the court.

Your Committee received testimony in support of this measure from the Department of Health and Judiciary. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu and Office of the Prosecuting Attorney for the County of Kaua'i.

Your Committee finds that the Governor commissioned a special action team in June 2012 to analyze causes and identify ideas to address the systematic factors contributing to the increased rate of admission and increased length of stay of persons admitted to the Hawaii State Hospital. This measure is the result of the special team's efforts to improve the State's forensic mental health services.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1141, 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. 354 Health on S.B. No. 1233**

The purpose and intent of this measure is to require private employers of fifty or more employees to allow employees to take paid leaves of absence for organ, bone marrow, and peripheral blood stem cell donation.

Your Committee received testimony in support of this measure from the National Kidney Foundation of Hawaii, Hawaii Bone Marrow Donor Registry, and four individuals.

Your Committee finds that private employers are not currently required to give employees paid time off for donating organs, bone marrow, or peripheral blood stem cells. Your Committee finds that many people in the State who would otherwise donate these vital medical resources delay or altogether refrain from donation because they cannot take time off of work to do so. Your Committee finds that legislation requiring employers to allow employees paid time off for organ, bone marrow, and peripheral blood stem cell donation is necessary to provide life-saving medical resources to benefit citizens of the State in medical need.

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. 1233 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 (Chun Oakland, Slom).

**SCRep. 355 (Majority) Health on S.B. No. 652**

The purpose and intent of this measure is to reduce the number of minors and youth who smoke or begin smoking by restricting the placement of tobacco for sale and tobacco advertising.

Your Committee received testimony in support of this measure from eight individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Hawaii Food Industry Association, and over seven hundred individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that the tobacco industry spends billions of dollars annually on advertising and marketing its products in the United States. Restrictions on mass media advertising of tobacco have forced tobacco companies to use retail establishments as their primary advertising venues. Your Committee finds that retail stores are given incentives to place tobacco advertisements and products in strategic locations near the cash register, known as point-of-sale displays.

Your Committee also finds that there is a well-documented connection between youth exposure to tobacco advertising and youth tobacco initiation. Your Committee further finds that an essential component of reducing the number of minors who smoke is reducing their exposure to tobacco advertisements.

Your Committee has amended this measure by:

- (1) Removing the provision prohibiting tobacco advertising from being placed within twenty-five feet of children's products, toys, cookies, candy, ice cream, gum, or snacks;
- (2) Inserting an effective date of January 1, 2050, to encourage 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. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 652, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Chun Oakland). Noes, 1 (Slom). Excused, none.

**SCRep. 356 Health on S.B. No. 1308**

The purpose and intent of this measure is to establish a new rule of evidence that allows expressions of apology or compassion and other benevolent acts to be made by health care providers without fear of these statements or acts being used as evidence to prove liability for any claim arising out of an adverse medical outcome.

Your Committee received testimony in support of this measure from the Hawaii Medical Association. Testimony in opposition to this measure was submitted by the Hawaii Association for Justice.

Your Committee finds that rule 409.5 of the Hawaii Rules of Evidence allows an individual or entity to express sympathy and condolence concerning the consequences of an event in which the declarant was a participant without the expression being used to establish liability. However, this rule does not specifically protect communication that amounts to an apology, which could be admissible as evidence to establish liability, or communication with a health care provider regarding the consequences of an unanticipated medical care outcome involving pain, suffering, or death.

Testimony submitted by the Hawaii Medical Association indicated that thirty-four states have enacted apology laws that protect expressions of apology made by health care providers from being used as evidence to prove liability. The Hawaii Medical Association also cited studies that indicate that when doctors apologize for adverse medical outcomes, patients are less likely to litigate, thereby reducing the number of malpractice claims and reducing litigation costs. This measure protects communication that amounts to an apology made by a health care provider so that these statements may be made without fear of being used to prove liability.

Your Committee notes the concerns raised by the Hawaii Association for Justice that this measure should be first submitted to the Judiciary's Standing Committee on Evidence, which possesses the expertise, responsibility, and institutional knowledge needed for consideration of changes to the rules of evidence like this measure proposes. Your Committee further notes the discussion with the Hawaii Medical Association and Hawaii Association for Justice regarding the different types of expressions that could be made by a health care provider and encourages this discussion to continue with your Committee on Judiciary and Labor if that committee chooses to schedule this measure for a hearing.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the word "fault" as one of the expressions that could be made by a health care provider concerning an unanticipated medical care outcome;
- (2) Inserting an effective date of January 1, 2050, to encourage 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. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1308, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 357 (Joint) Health and Technology and the Arts on S.B. No. 972**

The purpose and intent of this measure is to amend the Uniform Controlled Substances Act in chapter 329, Hawaii Revised Statutes, by:

- (1) Adding definitions consistent with federal law;

- (2) Clarifying the conditions for electronic transmittal of prescriptions; and
- (3) Adding and clarifying violations of prohibited acts.

Your Committees received testimony in support of this measure from Kaiser Permanente Hawaii and CVS Caremark. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that on March 31, 2010, the Drug Enforcement Administration published in the Federal Register its rule "Electronic Prescriptions for Controlled Substances", which became effective on June 1, 2010, and which revises the Drug Enforcement Administration's regulations to provide practitioners with the option of writing prescriptions for controlled substances electronically. The regulations also permit pharmacies to receive, dispense, and archive these electronic prescriptions for controlled substances. These new regulations do not mandate that practitioners prescribe controlled substances using only electronic prescriptions, nor do these new regulations require pharmacies to accept only electronic prescriptions for controlled substances for dispensing. The use of electronic prescriptions for controlled substances is voluntary on the part of the practitioners and pharmacies. Electronic prescriptions for controlled substances may be conveyed electronically; provided that the electronic prescription and the pharmacy application meet the Drug Enforcement Administration's and state's requirements.

Your Committees further find that by allowing practitioners to electronically prescribe controlled substances and to convey the prescription directly to the pharmacy of the patient's choice, it will provide practitioners with a safer, more secure, and more timely means to prescribe controlled substances in addition to the conventional means of prescribing controlled substances.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 972 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.

Health

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

Technology and the Arts

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

**SCRep. 358 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1240**

The purpose and intent of this measure is to ensure pediatric dental benefits are included in all medical plans offered through the Hawaii Health Connector.

Your Committees received testimony in support of this measure from Hawaii Medical Service Association, Hawaii Primary Care Association, and one individual. Your Committees received testimony in opposition to this measure from Hawaii Dental Service. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that failure to prevent dental problems has long-term adverse health effects that are costly to families and the health care system in Hawaii as a whole. Without regular preventative dental services, dental care for many children is postponed until symptoms become so acute that treatment is sought in hospital emergency departments, which drives up health care costs statewide.

Your Committees also find that medical insurance is a strong predictor of access to dental care, and uninsured children are 2.5 times less likely than insured children to receive dental care. Children from families without dental insurance are three times more likely to have dental needs than children with public or private insurance. Your Committees further find that requiring individuals under age nineteen to purchase pediatric dental coverage inside the insurance exchange will ensure that the majority of Hawaii's children will enjoy dental benefits, reducing long-term health problems for Hawaii's keiki and driving down costs for the entire health care system.

Your Committees have amended this measure by:

- (1) Amending the purpose section to clarify the intent;
- (2) Deleting the section amending the definition of "qualified plan" in section 435H-1, Hawaii Revised Statutes;
- (3) Adding a new section to chapter 435H, Hawaii Revised Statutes, requiring the Hawaii Health Connector to ensure that all individuals under the age of nineteen purchase health benefits that include pediatric dental coverage; 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. 1240, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1240, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 359 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1227**

The purpose and intent of this measure is to require certain insurance contracts and plans to provide coverage for rehabilitative therapies and services beginning January 1, 2014, to treat brain injuries, including coverage of cognitive and neurocognitive therapy,

neurobehavioral and neuropsychological testing or treatment, and necessary post-acute transition services or community reintegration activities for a period of at least six months from the date an injury occurred.

Your Committees received testimony in support of this measure from the Department of Health, Rehabilitation Hospital of the Pacific, Family Voices, and three individuals. Your Committees received testimony in opposition to this measure from Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that traumatic brain injury is a leading cause of death and disability among children and young adults. Unfortunately, traumatic brain injury survivors face a long rehabilitation process that may not be covered by certain health benefit plans. Requiring coverage of cognitive rehabilitative services will ensure timely treatment of traumatic brain injury that is vital to the recovery process, as it impacts personal safety, functional independence, productive living, psychological health, and social interaction.

Your Committees have amended this measure by:

- (1) Requiring that insurance providers cover the costs of rehabilitative therapies and services for individuals with traumatic brain injuries for twenty years, as opposed to six months, from the date the acquired brain injury occurred;
- (2) Inserting a \$300,000 lifetime cap on the requirement of insurance providers to cover rehabilitative therapies and services related to traumatic brain injury;
- (3) Inserting an effective date of July 1, 2050, to encourage 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. 1227, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1227, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 360 (Joint) Health and Human Services on S.B. No. 105**

The purpose and intent of this measure is to prevent injury to the elderly through the establishment of a statewide fall prevention and early detection program to detect and reduce falls among the elderly.

Your Committees received testimony in support of this measure from the Department of Health; Maui County Office on Aging; Stay at Home Modifications, LLC; and one individual.

Your Committees find that in 2011, there were 5,719 emergency room visits and 1,868 hospitalizations for falls by the elderly in Hawaii. It is estimated that over thirty percent of the elderly fall annually. As the number of elderly increases, it is anticipated that the number of fall-related injuries by the elderly requiring hospital treatment will increase by approximately three percent annually. Your Committees find that the establishment of a statewide fall prevention and early detection program will greatly aid in reducing falls by the elderly.

Your Committees have amended this measure by:

- (1) Making the establishment of the statewide fall prevention and early detection program by the Department of Health mandatory rather than discretionary; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 105, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 105, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

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

**SCRep. 361 (Joint) Health and Human Services on S.B. No. 43**

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, including services that are not covered by an insurance policy held by or for the benefit of the individual who seeks services; and

- (2) Appropriate funds for mental health services for adults, adolescents, and children that were eliminated or reduced in the past two years and substance abuse treatment and mental health support services for individuals who are homeless or at risk of becoming homeless.

Your Committees received testimony in support of this measure from the Hawaii Disability Rights Center, Hawaii Substance Abuse Coalition, and Community Alliance for Mental Health. Your Committees received testimony in opposition to this measure from the Department of Health.

Your Committees find that in recent years the Department of Health has decreased the amount and types of mental health services it provides. This reduction in services has resulted in considerable suffering and even death. This measure will restore services that have been eliminated or reduced by mandating coverage for certain illnesses and making appropriations to restore mental health services.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2030, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 43, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 43, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

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

**SCRep. 362 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on S.B. No. 1357**

The purpose and intent of this measure is to enable government agencies to maintain roads whose ownership and jurisdiction are in dispute between the State and the counties without incurring liability or assuming ownership or jurisdiction over those roads.

Your Committees received testimony in support of this measure from the Attorney General; Department of Transportation; Department of Land and Natural Resources; County of Maui, Department of Public Works; County of Hawaii, Department of Public Works; County of Kauai, Department of Public Works; and two individuals. Testimony in opposition to this measure was received from the Hawaii Association for Justice.

Your Committees find that the safety of residents traveling over roads whose ownership and jurisdiction are in dispute between the State and the counties, commonly known as "roads in limbo", is affected by the lack of any maintenance of such roads. Government agencies are unwilling to maintain these roads because the maintenance activities may be construed as assuming ownership and jurisdiction over the disputed roads, and the government agency may be subject to liability due to the maintenance activities.

Your Committees have amended this measure on the recommendation of the County of Maui Department of Public Works by:

- (1) Providing that if a county accepts by resolution the dedication of a road whose ownership is in dispute between the county and the State, the county shall not be liable to any person for injury or damage sustained while that person is using that road for a period of ten years following the acceptance of that road by resolution;
- (2) Clarifying the title of the section to conform to the amendment; 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 Public Safety, Intergovernmental 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. 1357, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1357, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 5; Ayes with Reservations (Espero, Kahele). Noes, none. Excused, 4 (Gabbard, Keith-Agaran, Solomon, Slom).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3; Ayes with Reservations (Espero, Galuteria). Noes, none. Excused, 2 (Green, Slom).

Judiciary and Labor

Ayes, 3; Ayes with Reservations (Shimabukuro). Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 363 Commerce and Consumer Protection on S.B. No. 598**

The purpose and intent of this measure is to:

- (1) Require the Department of Commerce and Consumer Affairs to regulate the check cashing industry through registration requirements;
- (2) Exempt fees and interest received by check cashers for deferred deposit transactions from general excise taxes; and



- (3) Limit the monetary amounts that can be transacted and the annual percentage rate charged by check cashers.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs; Money Service Centers of Hawaii, Inc.; Dollar Financial Group, Inc.; Community Financial Services Association of America; and one individual. Your Committee received comments on this measure from the Department of Taxation and one individual.

Your Committee finds that this measure would require registration and licensing of check cashers with the Department of Commerce and Consumer Affairs. However, your Committee further finds that given the proliferation of internet-based payday lending operations, permitting the registration and licensing of these operations will not afford increased consumer protections for Hawaii consumers. Rather, a registering and licensing requirement may encourage unscrupulous predatory lenders to enter the Hawaii market and prey on customers who lack the financial savvy to fully appreciate the implications of the debt they are assuming.

Your Committee additionally finds that although a registration and licensing system for check cashers may not be appropriate because of the difficulties associated with enforcement, there are some aspects of this measure that contain valuable consumer protection provisions. Therefore, amendments to this measure are necessary.

Your Committee has heard the concerns regarding the thirty-six percent annual percentage rate cap compared to the fifteen percent fee on deferred deposits transactions. Your Committee believes this issue merits further discussion and encourages continued dialogue between the check cashing industry and the Office of Consumer Protection as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Deleting language that would have required a check casher to register with the Department of Commerce and Consumer Affairs, exempted amounts received by check cashers for deferred deposit transactions from the general excise tax, and inserted a new definition for "director";
- (2) Clarifying that financial and credit counseling are to be obtained from an approved Hawaii-based budget and credit counseling agency;
- (3) Clarifying that all cumulative fees charged for a deferred deposit transaction shall be expressed as an annual percentage rate not to exceed thirty-six percent;
- (4) Removing language that would have increased the fee for a dishonored check from \$20 to \$30;
- (5) Establishing certain requirements for payment plans on deferred deposit transactions under the existing section 480F-4, Hawaii Revised Statutes, rather than as a new section in chapter 480F, Hawaii Revised Statutes;
- (6) Inserting an effective date of July 1, 2050, to encourage 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. 598, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 598, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 364 Commerce and Consumer Protection on S.B. No. 1077**

The purpose and intent of this measure is to set forth specific responsibilities of and protections for owner-builders exempted from licensing and other requirements under chapter 444, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Contractors License Board, The Pacific Resource Partnership, General Contractors Association of Hawaii, Building Industry Association of Hawaii, Subcontractors Association of Hawaii, and Complete Construction Services Corp. Your Committee received testimony in opposition to this measure from the Hawaii Farm Bureau Federation. Your Committee received comments on this measure from the Hawai'i Association of REALTORS.

Your Committee finds that currently, owners or lessees of real property may qualify for an owner-builder exemption under chapter 444, Hawaii Revised Statutes, if the owners build or improve certain buildings or structures on the property for their own use. Owners or lessees who seek to qualify for this exemption must register for the exemption and sign a disclosure statement that sets forth the responsibilities of the owner-builder. However, your Committee further finds that owner-builders often obtain owner-builder permits without full knowledge of the responsibilities and risks they assume. This measure sets forth specific requirements for owner-builders so the owner-builders will know exactly what is required of them. This measure will also strengthen the Regulated Industries Complaints Office's ability to monitor and prosecute violations involving owner-builder construction projects.

Your Committee has heard the concerns that this measure may impact the low-risk nonresidential farm structures that were previously exempted from permitting requirements under Act 114, Session Laws of Hawaii 2012. Amendments are therefore necessary to address these concerns and clarify that the owner-builder exemption does not apply to specific agricultural buildings and structures.

Your Committee has amended this measure by:

- (1) Specifying that an owner or lessee exempted under the owner-builder exemption is not eligible to recover from the contractors recovery fund;

- (2) Specifying that the owner-builder exemption does not apply to agricultural buildings, structures, or appurtenances thereto that do not require a building permit or are exempted from the building code;
- (3) Clarifying that the disclosure requirements for licensed contractors will apply prior to entering into a contract with a homeowner, including an owner-builder, or at the time a homeowner, including an owner-builder, signs a contract involving home construction or improvements; 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. 1077, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1077, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 365 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 1042**

The purpose and intent of this measure is to:

- (1) Amend the description of Public Utilities Commission staff under section 269-3, Hawaii Revised Statutes; and
- (2) Repeal Public Utilities Commission position descriptions contained in Act 177, Session Laws of Hawaii 2007.

Your Committees received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Hawaii Energy Policy Forum, and one individual.

Your Committees find that Act 177, Session Laws of Hawaii 2007 (Act 177), which authorized the reorganization of the Public Utilities Commission, mandated specific position descriptions for Commission staff based on the Commission's needs at that time. Your Committees further find that major strides in clean energy policy and programs have been made since Act 177 was enacted. Although these changes have been beneficial for Hawaii's clean energy future, the restrictions in Act 177 have made it very difficult for the Commission to recruit appropriate personnel to satisfy its current regulatory needs. This measure supports the Commission's efforts to identify, design, and fill the positions needed to modernize and transform the Commission and will enable the Commission to meet the needs of a rapidly changing regulatory environment.

Your Committees additionally find that the Public Utilities Commission has recently received guidance from the Department of Human Resources Development on how to further improve the flexibility of the Commission in its recruitment and staffing efforts. Therefore, amendments to this measure are necessary.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the Chairperson of the Public Utilities Commission may appoint, and at pleasure dismiss, a chief administrator and attorneys who shall be exempt from chapter 76, Hawaii Revised Statutes;
- (2) Clarifying that the Chairperson of the Public Utilities Commission may appoint other staff with or without regard to chapter 76, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1042, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1042, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).  
Judiciary and Labor  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 366 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 1067**

The purpose and intent of this measure is to:

- (1) Update the escrow depositories law to more realistically address the current responsibilities and operations of escrow depositories;
- (2) Authorize the Commissioner of Financial Institutions of the Department of Commerce and Consumer Affairs to investigate and conduct hearings on possible violations of the escrow depositories law; and
- (3) Provide remedies to stop unlawful actions that would endanger the public.

Your Committees received testimony in support of this measure from the Division of Financial Institutions of the Department of Commerce and Consumer Affairs. Your Committees received comments on this measure from the Hawaii Escrow Association.

Your Committees find that the last significant revision to the State's escrow depositories law, codified as chapter 449, Hawaii Revised Statutes, was more than twenty-five years ago. Today's escrow depositories are handling larger and more sophisticated financial transactions, and certain changes to the escrow depositories law are therefore needed to better regulate the industry and

protect consumers. Your Committees further find that the Commissioner of Financial Institutions and representatives from the escrow depository industry met during the summer and fall of 2012 to discuss modernization amendments for the escrow depository industry that would be mutually beneficial to the industry and the State.

According to testimony received by your Committees, the escrow depository representatives and the Commissioner of Financial Institutions have not reached consensus in all areas but have reached consensus on the increased bonding requirements and certain fee schedule changes proposed by this measure.

Your Committees additionally find that the Division of Financial Institutions has indicated that the fee changes proposed by this measure are based on the Division's need to appropriately carry out its mission. The Division has also indicated that a guiding principle of the Division is to ensure that revenues from each program are sufficient to cover the Division's costs of operating that program. Unfortunately, the escrow depositories program ran a deficit of \$199,339 in fiscal year 2011 and a deficit of \$250,459 in fiscal year 2012. It is therefore clear that the escrow depositories program is fiscally unsustainable under the existing fee schedules set by chapter 449, Hawaii Revised Statutes. Your Committees note that representatives from the industry have agreed to support most, but not all, of the fee increases proposed by this measure. Further discussion on this topic is therefore needed.

Your Committees have heard the concerns regarding certain provisions in this measure that increase the Commissioner of Financial Institutions' power, regulatory authority, and enforcement provisions. Your Committees understand that although consensus language on these areas has not yet been reached, the interested parties are willing to work together through further discussions.

Your Committees have amended this measure by:

- (1) Replacing the \$5,000 fee for filing and investigation of an escrow depository's application for license with an unspecified amount;
- (2) Removing language that would have permitted the Commissioner of Financial Institutions to charge or bill an escrow depository in connection with an investigation;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committees note that this amended measure represents a work in progress between the Division of Financial Institutions and escrow depositories licensed in the State. Although there has been some agreement between the parties, there are still aspects of this measure that require further dialogue and compromise. Your Committees strongly encourage both parties to use this amended measure as a means to encourage dialogue and continue discussions as the measure moves through the Legislature.

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. 1067, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1067, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

Judiciary and Labor  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 367 (Joint) Agriculture and Economic Development, Government Operations and Housing on S.B. No. 991**

The purpose and intent of this measure is to exempt the purchase of fresh meats, fresh produce, animals, and plants by any governmental body from the Hawaii Public Procurement Code.

Your Committees received testimony in support of this measure from the Department of Agriculture, Office of Planning, State Procurement Office, Department of Education, Hawaii Farm Bureau Federation, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Cattlemen's Council, Hawaii Association of Independent Schools, and Ulupono Initiative.

Your Committees find that the Hawaii Public Procurement Code unreasonably hampers government agencies' efforts to buy fresh meats, fresh produce, animals, and plants. Allowing state agencies to more easily procure locally grown products is critical to an effective campaign to increase the State's food security and food self-sufficiency; therefore, these items should be exempt from the procurement code.

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 Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 991, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 991, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

Economic Development, Government Operations and Housing  
Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (English, Wakai).

**SCRep. 368 Technology and the Arts on S.B. No. 207**

The purpose and intent of this measure is to prohibit employers from requiring employees and applicants for employment to disclose their personal social media usernames or passwords, divulge information in personal social media, or access personal social media in the presence of the employer.

Your Committee received testimony in support of this measure from the Hawaii Civil Rights Commission, American Civil Liberties Union of Hawaii, Ililani Media, and three individuals. Your Committee received testimony in opposition to this measure from the American Council of Life Insurers. Your Committee received comments on this measure from The Chamber of Commerce of Hawaii.

Your Committee finds that a growing number of employers are asking their employees or job applicants to disclose their user names and passwords for private internet or web-based accounts. This measure prohibits this practice and protects the privacy rights for applicants and employees with regard to their personal social media accounts. Your Committee finds that private activities that would never be intruded upon offline should not receive less privacy protection simply because they take place online.

Your Committee has amended this measure by:

- (1) Substituting the phrase “personal media” for “social media”;
- (2) Substituting the phrase “personal account” for “personal social media” and adding a definition for “personal account”;
- (3) Providing an exception for employers who have received specific information about an employee’s use of a personal account for business purposes to ensure compliance with applicable laws, regulatory requirements, or prohibitions against business-related employee misconduct;
- (4) Providing an exception for employers who have specific information about the unauthorized transfer of the employers’ proprietary information, confidential information, or financial data to an employee’s personal account;
- (5) Providing immunity for employers from any liability resulting from their failure to request or require that an employee or applicant disclose a username or password for the purpose of accessing the employee’s or applicant’s personal account; 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 207, 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. 369 Technology and the Arts on S.B. No. 448**

The purpose and intent of this measure is to:

- (1) Require agencies to make reasonable efforts to make data sets available to the public;
- (2) Absolve the State for liability for deficiencies or incomplete data; and
- (3) Require the Chief Information Officer to enact rules to address making data sets available to the public.

Your Committee received testimony in support of this measure from the Office of Information Management and Technology, Office of Information Practices, Hawaii Open Data, Hawaii Health Information Corporation, and three individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and Public Utilities Commission.

Your Committee finds that open and free electronic access to public data builds trust among citizens by making government more transparent with the sharing of information. Open data also encourages innovation with developers as they create applications from the information available to address specific needs of the community. This measure will drive civic engagement and create the infrastructure needed to support Hawaii’s software development industry.

Your Committee has amended this measure by:

- (1) Adding a purpose and intent section;
- (2) Changing the phrase “agency data set” to “electronic data set”;
- (3) Clarifying that electronic data sets shall be made available through [data.hawaii.gov](http://data.hawaii.gov);
- (4) Clarifying that departments are not required to create new electronic data sets or make data sets available upon demand;
- (5) Clarifying that no personally identifiable information shall be posted online unless the posting has been consented to by the individual or is necessary to fulfill the lawful purposes or duties of the department;
- (6) Specifying that the measure is referring specifically to executive branch departments, not all government departments;
- (7) Adding definitions for “data” and “open data” and amending the definition of “data set”;
- (8) Clarifying that the State does not warrant the data sets’ fitness for any particular use and shall not be liable for any deficiencies in any data set except where the State’s conduct would constitute gross negligence, willful or wanton misconduct, or intentional misconduct;

- (9) Requiring the Chief Information Officer, in consultation with the Director of the Office of Information Practices, to develop policies and procedures to implement the open data initiative, rather than requiring the Director of the Office of Information Practices to adopt rules to make data sets available to the public;
- (10) Adding an appropriation for additional staff to promote open data pursuant to this measure and chapter 92F, Hawaii Revised Statutes, the Uniform Information Practices Act (Modified);
- (11) Changing the effective date to July 1, 2013; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 448, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 448, 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. 370      Technology and the Arts on S.B. No. 369**

The purpose and intent of this measure is to:

- (1) Require both chambers of the legislature to implement rules to permit residents to present testimony through audiovisual technology; and
- (2) Appropriate funds to establish audiovisual technology throughout the State to enable neighbor island residents to present oral testimony at legislative committee hearings.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Hawaii County Council, Hawaii Shores Community Association, Green Color Technologies, and seven individuals.

Your Committee finds that the utilization of audiovisual technology promotes equal access and invites greater participation in the legislative process, which is the cornerstone of democracy. Additionally, the use of videoconferencing saves Hawaii residents on neighbor islands time and money because they incur significant costs to travel to Honolulu to provide testimony in person.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 369 and recommends that 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. 371      (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.B. No. 483**

The purpose and intent of this measure is to facilitate the timely processing of applications for business or development-related permits, licenses, or approvals by amending section 91-13.5, Hawaii Revised Statutes, to require state agencies to comply with county rules specifying a maximum time period to grant or deny a business or development-related permit, license, or approval.

Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources. Your Committees received comments on this measure from the Office of Planning.

Your Committees find that under existing law, some state agencies have established maximum time periods in which to grant or deny a business or development-related permit, license, or approval that conflict with county rules establishing maximum time periods to grant or deny a business or development-related permit, license, or approval. This situation results in considerable delay and inefficiency in obtaining business or development-related permits, licenses, or approvals. This measure is intended to reduce this delay and inefficiency by requiring state agencies to comply with county rules establishing a maximum time period in which to grant or deny a business or development-related permit, license, or approval, if any such rules have been adopted by the county.

Your Committees have amended this measure by clarifying that where a county agency has not adopted rules specifying a maximum time period in which to grant or deny a business or development-related permit, license, or approval and a state agency has done so, the time period under state law shall prevail.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 483, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 483, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Chun Oakland).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 372 Health on S.B. No. 1348**

The purpose and intent of this measure is to establish a comprehensive, three-tiered stroke system of care throughout the State and create requirements for the measuring, reporting, and monitoring of stroke care performance through data collection and creation of a stroke database.

Your Committee received testimony in support of this measure from Kaiser Permanente, The Queen's Medical Center, American Stroke Association, Pali Momi Medical Center, Straub Clinic and Hospital, and two individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that stroke is the leading cause of chronic disability among adults in the State. Rapid identification, diagnosis, and treatment of stroke can improve outcomes for stroke patients. Your Committee finds that Hawaii does not presently have an adequate and effective system of statewide stroke care that emphasizes rapid assessment and triage of stroke patients.

Your Committee notes the testimony of Chris McLachlin, the television color commentator for University of Hawaii volleyball games, who suffered a stroke while traveling in California. Mr. McLachlin testified that he was saved by the fact that a friend immediately recognized that he was suffering a stroke and that he happened to fall ill a short distance from two stroke treatment hospitals. Because Mr. McLachlin received immediate treatment, doctors were able to save Mr. McLachlin's life and reverse the paralysis he suffered. Your Committee finds that in order to provide the best medical outcomes for Hawaii's stroke victims, it is necessary to establish a tiered stroke treatment system throughout the State to provide immediate and responsive diagnosis and treatment of strokes.

Your Committee has amended this measure by:

- (1) Changing the effective date to upon its approval; provided that this measure is fully implemented by July 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. 1348, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1348, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 373 Tourism and Hawaiian Affairs on S.B. No. 3**

The purpose and intent of this measure is to provide for the election of the Office of Hawaiian Affairs board members through a system of nonpartisan primary and general elections to begin with the 2014 elections.

Your Committee received testimony in support of this measure from the Hawaiian Affairs Caucus of the Democratic Party of Hawaii and three individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of the Attorney General, Office of Hawaiian Affairs, Office of Elections, and Office of the County Clerk of the County of Kauai.

Your Committee finds that the absence of a primary election for the members of the Board of Trustees of the Office of Hawaiian Affairs causes a large pool of trustee candidates competing for only a few positions in the general election. A primary election process for the Board of Trustees will serve to narrow the pool of trustee candidates in the general election, limit the significant dispersion of votes that often occurs due to the large pool of candidates, and ensure a more democratic process.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Solomon). Noes, none. Excused, 3 (Hee, Kahele, Slom).

**SCRep. 374 Tourism and Hawaiian Affairs on S.B. No. 408**

The purpose and intent of this measure is to appropriate funds for the Office of Hawaiian Affairs for the 2013-2015 fiscal biennium.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Oahu Council Association of Hawaiian Civic Clubs, Alu Like, and one individual.

The primary purpose of the Office of Hawaiian Affairs general funds request to the State of Hawaii is to provide services and assistance to Native Hawaiians in the areas of social services, legal services, education, health improvement program services, and leverage opportunities. Statistics show that Native Hawaiians are among the highest ranking ethnic groups with cardiovascular disease, obesity, and diabetes. Accordingly, the Office of Hawaiian Affairs has initiated a new strategic priority to reduce the rate of obesity of Native Hawaiians from 49.3 percent to 35 percent by 2018. Primarily to provide these health improvement program services, the Office of Hawaiian Affairs is requesting an additional amount of funds from the Legislature this biennium and intends to create partnerships and agreements with other state agencies to leverage these funds.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 408 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hee, Kahele, Slom).

**SCRep. 375 Tourism and Hawaiian Affairs on S.B. No. 236**

The purpose and intent of this measure is to require that all letterheads, documents, symbols, and emblems of the State and counties include accurate and appropriate Hawaiian names and language when they require replacement or reprinting or otherwise require revision.

Your Committee received testimony in support of this measure from the Department of Health, Office of Hawaiian Affairs, Hawaii Tourism Authority, Association of Hawaiian Civic Clubs, Kewalo Hawaiian Homestead Community Association, and three individuals. Your Committee received testimony in opposition to this measure from the Department of Human Resources Development. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that this measure ensures the constitutionally- and ethically-mandated preservation of the Hawaiian language and culture by requiring that state and county documents, letterheads, symbols, and emblems, when newly created, replaced, or reprinted, contain the accurate, appropriate, and authentic Hawaiian names and language. Your Committee is concerned, however, about the scope of this requirement and that it may be burdensome to require every document within an agency to be converted accordingly.

Therefore, your Committee has amended this measure by deleting the requirement that all documents prepared by or for state or county agency officials contain accurate, appropriate, and authentic Hawaiian names and words and making conforming amendments. The measure retains the requirement for accurate, appropriate, and authentic Hawaiian names and words for letterheads, emblems, and symbols.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 236, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 236, 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 (Kidani). Noes, none. Excused, 3 (Hee, Kahele, Slom).

**SCRep. 376 (Joint) Tourism and Hawaiian Affairs and Water and Land on S.B. No. 497**

The purpose and intent of this measure is to appropriate matching funds for the environmental impact statement associated with the planned beach nourishment project at Kaanapali Beach on the island of Maui.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority; Hyatt Regency Maui Resort Spa; Maui Hotel and Lodging Association; Classic Resorts; and Kaanapali Operations Association, Inc. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that Kaanapali Beach is experiencing chronic and episodic erosion, which has caused more than thirty-five feet of beach loss in some areas along Kaanapali Beach since 1988. Furthermore, the economic value of Kaanapali Beach is significant; visitors to Kaanapali Beach contribute over \$2,000,000,000 to the State and Maui County economies. Your Committees find that restoration of Kaanapali Beach is necessary to preserve a vital environmental, recreational, economic, and cultural resource for residents and visitors on the island of Maui. Accordingly, your Committees conclude that this measure should be approved so long as the funds expended for the beach nourishment project at Kaanapali beach are matched dollar-for-dollar with private funds.

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 Tourism and Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 497, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 497, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

**SCRep. 377 (Joint) Health and Human Services on S.B. No. 936**

The purpose and intent of this measure is to continue the hospital sustainability program by:

- (1) Amending Act 217, Session Laws of Hawaii 2012, to extend the sunset date to June 30, 2014, update the referral dates within its provisions, and make other housekeeping amendments for clarity and consistency; and
- (2) Appropriating a specified amount from the hospital facility sustainability program special fund for fiscal year 2013-2014 to be used for purposes consistent with the special fund.

Your Committees received testimony in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, The Queen's Health Systems, and Healthcare Association of Hawaii.

Your Committees find that the hospital sustainability program levies a fee on nongovernmental hospitals based on their patient revenues and uses the revenue from the provider fee to leverage federal funds, thereby increasing the realization of Medicaid dollars. The cost of the fee is promised back to providers through an increase in the Medicaid reimbursement rate for their patient treatment and services. The provider fee stabilizes declining Medicaid payments and slows the erosion of access to care for those beneficiaries

served by the program. This measure extends the hospital sustainability program to increase sustainable hospitals and access to necessary medical care.

Your Committees prefer the language in S.B. No. 1110 (Regular Session of 2013), which is substantively identical to this measure.

Accordingly, your Committees have amended this measure by deleting its contents and replacing it with language from S.B. No. 1110 (2013) and further amending the 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 Human Services that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 936, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 936, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

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

**SCRep. 378 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 875**

The purpose and intent of this measure is to:

- (1) Require independent medical examinations and permanent impairment rating examinations for workers' compensation claims to be performed by physicians mutually agreed upon by employers and employees or appointed by the Director of Labor and Industrial Relations until June 30, 2018;
- (2) Allow for the use of an out-of-state physician under certain conditions and until June 30, 2018; and
- (3) Appropriate funds to the Department of Labor and Industrial Relations to establish three full-time equivalent (3.0 FTE) permanent workers' compensation hearings officer positions and two full-time equivalent (2.0 FTE) permanent office assistant positions in the disability compensation division.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations. Your Committees received testimony in opposition to this measure from Dole Food Co., Hawaii; South Pacific Steel; The Queen's Health Systems; Ralph S. Inouye Co., Ltd.; John Mullen & Co., Inc.; and three individuals.

Your Committees find that this measure will bring a greater assurance of impartiality in the independent medical examination and permanent impairment rating processes and has the potential to reduce the number of workers' compensation medical disputes.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 875, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 875, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Judiciary and Labor

Ayes, 4; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Slom).

**SCRep. 379 (Joint) Health and Judiciary and Labor on S.B. No. 666**

The purpose and intent of this measure is to establish an emergency services patient advocate program to provide assistance to and advocate on behalf of patients receiving emergency medical care.

Your Committees received testimony in support of this measure from the Community Alliance for Mental Health and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health and Kaiser Permanente Hawaii.

Your Committees find that sick and vulnerable patients and their family members can become overwhelmed during a medical emergency. Many patients are unaware of their rights regarding the treatment and care they receive from their emergency room physicians. Your Committees find it is commonplace that many patients or their family members may disagree with the diagnosis or treatment plan provided by their emergency room physician, but feel forced to accept the treatment plan because they are unaware of how to effectively exercise their right to secure appropriate and available emergency medical care.

Your Committees note the emotional and moving testimony of former state legislator Fred Rohlfling, whose wife of thirty years died after an emergency room physician missed her diagnosis and discharged Mrs. Rohlfling against Mr. Rohlfling's wishes. Your Committees find that it is necessary to establish an emergency services patient advocate program to provide assistance to and advocate on behalf of patients receiving emergency medical treatment. Your Committees further find, however, that a mandated, statewide patient advocate program would be extremely costly and is not feasible at present.



Your Committees have amended this measure by deleting all of the substantive sections of the Act relating to the emergency services patient advocate program except for the section:

- (1) Directing the Department of Health to establish an emergency services patient advocate program, as the codification of the program may serve as a framework for future legislation to expand the program statewide; and
- (2) Requiring the Department of Health to adopt rules related to the program.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 666, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 666, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Judiciary and Labor

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

**SCRep. 380 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 1109**

The purpose and intent of this measure is to establish uniform hospital standards for the care of female sexual assault victims and ensure that, when receiving emergency medical care, female sexual assault victims are:

- (1) Informed about emergency contraception; and
- (2) Given access to emergency contraception.

Your Committees received testimony in support of this measure from the Department of Human Services; Hawaii State Commission on the Status of Women; Sex Abuse Treatment Center; Hawaii Women's Coalition; Hawai'i State Democratic Women's Caucus; Domestic Violence Action Center; Hawaii Medical Association; Community Alliance on Prisons; Healthy Mothers Health Babies; American Association of University Women - Windward Oahu Branch; and thirty individuals. Your Committees received testimony in opposition to this measure from the Hawaii Catholic Conference and one individual.

Your Committees find that sexual violence against women remains a significant public health issue in Hawaii. Your Committees received testimony that, according to a recent report of the Attorney General of the State of Hawaii, there were three hundred forty-three reported cases of forcible rape in Hawaii in 2011 and that, according to the U.S. Department of Justice, sixty-five percent of rapes and sexual assaults between 2006 and 2010 went unreported. Your Committees received testimony from the Department of Human Services that the average rate of pregnancy resulting from rape is between five and eight percent, with an estimated thirty-two thousand rape-related pregnancies in the U.S. Your Committees also received testimony that pregnancy prevention is a time sensitive issue, as emergency contraception is most effective when taken within seventy-two hours of a sexual assault.

Your Committees received testimony that the American Medical Association and the American College of Obstetricians and Gynecologists support and endorse a policy that sexual assault victims be informed about and provided emergency contraception, and sixteen states have adopted legislation requiring hospital emergency rooms to provide sexual assault victims information about and access to emergency contraception.

Your Committees find that Hawaii has no standard policy or law regarding the provision of emergency contraception information and services to female sexual assault victims in hospital emergency rooms. While some hospitals provide information about emergency contraception or provide emergency contraception to sexual assault victims, others do not.

Your Committees believe that it is important to establish uniform hospital standards in Hawaii that require hospital emergency rooms to provide female sexual assault victims with information about and access to emergency contraception.

Your Committees have amended this measure by:

- (1) Clarifying that hospital staff that do not provide emergency medical care shall not provide information about emergency contraception to a female sexual assault victim or orally inform a female sexual assault victim of the option to receive emergency contraception at the hospital; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1109, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1109, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Judiciary and Labor

Ayes, 3. Noes, 1 (Gabbard). Excused, 1 (Slom).

**SCRep. 381 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.B. No. 457**

The purpose and intent of this measure is to transfer in fee simple Hapuna Beach Park from the Department of Land and Natural Resources to the County of Hawaii on January 1, 2014.

Your Committees received testimony in support of this measure from the County of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committees find that the jurisdiction over Hapuna Beach Park, which is located on the island of Hawaii, should rightfully rest with the County of Hawaii as the more appropriate government administrative entity. According to testimony of the Department of Land and Natural Resources, the State and the County of Hawaii had previously worked to develop agreements to effectuate this transfer in 2010. Your Committees note that this measure includes transfer of jurisdiction provisions to address concerns raised in testimony.

Your Committees have amended this measure by inserting the tax map key number of the property to be transferred.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 457, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 457, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Thielen).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 382 (Joint) Water and Land and Tourism and Hawaiian Affairs and Economic Development, Government Operations and Housing on S.B. No. 722**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to expand the scope of the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011 (Act 54), to inventory and maintain information about the lands of the public land trust described in section 5(f) of the Admission Act and article XII, section 4, of the Hawaii State Constitution to include public facilities, thereby creating a comprehensive asset management system for public lands and facilities.

Prior to the hearing on this measure, your Committees posted a proposed S.D. 1 to require the Department of Accounting and General Services, rather than the Department of Land and Natural Resources, as the appropriate agency to establish the inventory of public facilities.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources and the Department of Accounting and General Services.

Act 54 is intended to facilitate the establishment of a comprehensive information system to inventory and maintain information about the lands of the public land trust described in section 5(f) of the Admission Act and article XII, section 4, of the Hawaii State Constitution. The Department of Land and Natural Resources has already collected a substantial amount of information about lands that are in the public land trust and established a database of information about these lands. The focus of Act 54 is the further study or review of the trust status of those lands to which other state agencies hold title and the disposition of those lands. This study or review enables the Department of Land and Natural Resources to verify the accuracy of or make amendments to the trust status of those lands as indicated in the existing database.

Your Committees find that the inventory required to be taken and information to be maintained are important tools to assist the State to manage its assets. However, insufficient information on underutilized public facilities exacerbates lost revenues for the State, so it is important that all state and county agencies work together to ensure that state facilities are also included in a comprehensive asset management system for public lands and facilities.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by requiring state agencies to transfer programs and hardware associated with the inventory to the Department of Accounting and General Services.

As affirmed by the records of votes of the members of your Committees on Water and Land and Tourism and Hawaiian Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 722, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 722, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

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

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Kahele, Kidani).

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, English, Wakai).

**SCRep. 383 (Joint) Water and Land and Tourism and Hawaiian Affairs on S.B. No. 950**

The purpose and intent of this measure is to reallocate the portions of transient accommodations tax revenue deposited into the tourism special fund for deposit into the state parks special fund, special land and development fund, and conservation and resources enforcement special fund.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and three individuals. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that additional funding for state parks, the Na Ala Hele trail and access program, and the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources provides greater natural resource protection for future generations. According to testimony of the Department of Land and Natural Resources, transient accommodations tax revenues received by the Department have allowed it to make significant improvements to the parks and trails for the benefit of the public.

Your Committees believe that the funding under this measure should not be the sole source of revenues for the Department of Land and Natural Resources or the Hawaii Tourism Authority. Other entities that benefit from this measure include the counties and the federal government, and the private sector.

Your Committees note that state government and private entities may have been at odds because of the tendency for people and interest groups to work in silos rather than through an integrated and coordinated effort toward the greater common good. Approaches to problem solving need to be more collaborative in order to achieve a more efficient, effective, and productive government that is fair and equitable to all people of Hawaii.

Your Committees have amended this measure by:

- (1) Requiring transient accommodations tax revenues deposited into the special land and development fund to be expended subject to the mutual agreement of the Board of Land and Natural Resources and the Board of Directors of the Hawaii Tourism Authority and in accordance with the Hawaii Tourism Authority strategic plan;
- (2) Repealing the \$71,000,000 cap on transient accommodations tax revenues deposited into the tourism special fund and reducing the allocation to the tourism special fund from 34.2 percent to 23.4 percent;
- (3) Deleting the language authorizing expenditure of portions of the transient accommodations tax revenues deposited into the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;
- (4) Deleting the language that would have deposited a portion of transient accommodations tax revenue into the conservation and resources enforcement special fund and making a conforming amendment;
- (5) Amending the allocation of transient accommodations tax revenues to the state parks special fund and special land and development fund by specifying that one percent of transient accommodations tax collections, up to \$4,000,000, shall be deposited as follows:
  - (A) \$2,000,000 into the state parks special fund, with certain conditions on expenditures of those funds; and
  - (B) The amount in excess of \$2,000,000 into the special land and development fund, specifying authorized uses for those funds;
- (6) Inserting language to transfer \$400,000, out of the amounts deposited into the special land and development fund pursuant to this measure for fiscal year 2013-2014, to the beach restoration special fund and appropriating those funds as matching funds for the environmental impact statement associated with the planned beach nourishment project at Kaanapali Beach on the island of Maui;
- (7) Requiring the Department of Land and Natural Resources and the Hawaii Tourism Authority to seek additional or supplemental funding from the counties, the federal government, and private entities to accomplish the purposes of this Act; 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 Water and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 950, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 950, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4; Ayes with Reservations (Ihara). Noes, none. Excused, 3 (Ruderman, Thielen, Slom).

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

**SCRep. 384 (Joint/Majority) Economic Development, Government Operations and Housing and Energy and Environment on S.B. No. 1030**

The purpose and intent of this measure is to make an emergency appropriation of \$145,000 from the energy security special fund to staff and support the Hawaii Refinery Task Force.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the closure of Tesoro Hawaii's Kapolei refinery and the uncertain future of Hawaii's remaining Chevron refinery create significant concerns to the State regarding its supply of refined fossil fuels. Supporting the task force will help the State

prepare for changes in Hawaii's fuel supply system and will provide the necessary funding for administration of the task force, studies, and assessments.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations 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. 1030 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.

Economic Development, Government Operations and Housing

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Baker, Wakai).

Energy and Environment

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

**SCRep. 385 (Joint) Technology and the Arts and Economic Development, Government Operations and Housing on S.B. No. 961**

The purpose and intent of this measure is to:

- (1) Require departments and agencies to share information to improve government operations unless otherwise prohibited by law;
- (2) Require the Chief Information Officer to oversee the sharing of the information; and
- (3) Appropriate funds for departments and agencies to share information to improve government operations.

Your Committees received testimony in support of this measure from the Office of Information Management and Technology.

Your Committees find that information created and maintained by the State is public property for the benefit of Hawaii's residents. This measure creates an environment to increase the sharing of information among departments and agencies, which will benefit the State and its residents by improving decision-making, supporting business process improvement, reducing redundancy, minimizing errors, and creating a more responsive service to the needs of citizens.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 961 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.

Technology and the Arts

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

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, English).

**SCRep. 386 (Majority) Human Services on S.B. No. 301**

The purpose and intent of this measure is to establish a refundable state earned income tax credit, require the Department of Human Services to provide financial education to applicants for and recipients of temporary assistance for needy families, and appropriate funds for financial education and tax workshops.

Your Committee received testimony in support of this measure from the Office of Community Services, Hawaii Alliance for Community-Based Economic Development, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Goodwill Industries of Hawaii, PHOCUSED, Partners in Care, Partners in Development Foundation, International Longshore and Warehouse Union Local 142 Hawaii, and two individuals. Your Committee received testimony from the Department of Human Services that supports the intent of this measure. Your Committee received comments on this measure from the Department of Taxation, Department of the Attorney General, and Tax Foundation of Hawaii.

Your Committee finds that one-third of Hawaii's middle class families are asset poor, lacking the resources to subsist at the poverty level for three months in the absence of a source of income. Assets are necessary to provide financial security during economically difficult times, create economic opportunities, and improve future generations' quality of life.

Your Committee further finds that financial education and tax workshops are important to ensure that those most in need will have the necessary skills to take advantage of tax policies and begin building assets. The tools and strategies from financial education and tax workshops will empower families by helping them control their financial situation and increase their overall self-sufficiency and resiliency.

Your Committee further finds that in 2010, the Hawaii state asset building and financial education task force submitted recommendations to the Legislature, which included implementing tax policies that make work pay, improving financial education, helping people start businesses, helping people become homeowners, and removing barriers to asset building.

Your Committee has heard testimony of the Department of Taxation expressing concerns regarding the estimated cost for Hawaii earned income tax credit. Estimates show that:

- (1) Ten percent of the federal earned income tax credit will equal \$25,100,000;
- (2) Fifteen percent of the federal earned income tax credit will equal \$37,700,000; and
- (3) Twenty percent of the federal earned income tax credit will equal \$50,200,000.

Your Committee finds that this issue raises concerns that merit further consideration and requests that your Committee on Ways and Means further examine those issues and concerns raised by the testifiers on this measure.

Your Committee has amended this measure by:

- (1) Explicitly specifying in state law that certain federal regulations apply to tax return preparers, as the Internal Revenue Service recently lost a challenge regarding the application of certain regulations to tax return preparers and has ceased to apply those requirements to them;
- (2) Deleting sections 3 and 4 of the measure, which would have required and funded the Department of Human Services to provide financial education to applicants for and recipients of Temporary Assistance for Needy Families;
- (3) Changing the source of appropriations for Hawaii Alliance for Community-Based Economic Development to provide tax workshops and financial education from general funds to grants; 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. 301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 301, 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 (Kidani).

**SCRep. 387 (Joint) Human Services and Commerce and Consumer Protection on S.B. No. 104**

The purpose and intent of this measure is to require the Director of the Executive Office on Aging to contract for the performance of an actuarial analysis for a limited, mandatory, public long term care insurance program for the State's working population.

Your Committees received testimony in support of this measure from the Executive Office on Aging, County of Hawaii Office on Aging, AARP Hawaii, Policy Advisory Board for Elder Affairs, ILWU Local 142, and six individuals. Your Committees received testimony in opposition to this measure from the National Association of Insurance and Financial Advisors.

Your Committees find that Hawaii's population is aging rapidly. There were approximately 206,000 people over sixty-five years old in Hawaii in 2012. That number will increase by sixty-one percent to 331,000 in 2032. This increase in the aging population will create an increase in need for long term care. Approximately sixty-nine percent of people who turned sixty-five in 2005 will need long term care before they die.

Your Committees further find that Hawaii long term care costs are among the highest in the nation and unaffordable by most Hawaii residents, as only twelve percent of Hawaii residents over forty have a long term care insurance policy. In response to long term care issues, the Long-term Care Commission submitted its recommendations to the Legislature on January 18, 2012. The Commission recommended a limited mandatory public long care insurance program for employees as a viable way to increase funding for the expanding need for long term care services, which would provide persons meeting the vesting period with a limited but meaningful benefit should they need long term care. No other option considered would raise revenue for long term care and provide coverage to the vast majority of residents.

Your Committees have amended this measure by:

- (1) Changing references from the "public long term care insurance program" to the "public long term care financing program";
- (2) Adding language to require the Director of the Executive Office on Aging to contract for a feasibility study to design a limited, mandatory public long term care financing program for the State;
- (3) Applying the specific requirements for what information shall be included under the actuarial analysis to the feasibility study instead;
- (4) Adding additional policy options that may be analyzed as part of the feasibility study for a limited, mandatory, public long term care financing program;
- (5) Amending the specific requirements for what information shall be analyzed as part of the actuarial analysis to include:
  - (A) Cost projections of the various policy options; and
  - (B) The amount of the mandatory tax required to implement a mandatory long term care financing program in the State;
- (6) Requiring the feasibility study to be completed and submitted to the Director of the Executive Office on Aging by June 30, 2014, and included in the Director's report to the Legislature;
- (7) Inserting language to include the feasibility study, along with the actuarial analysis, as the purpose of the appropriation; 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 Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 104, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 104, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Green, Kidani).

Commerce and Consumer Protection

Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Solomon).

**SCRep. 388 (Joint/Majority) Human Services and Technology and the Arts and Judiciary and Labor on S.B. No. 702**

The purpose and intent of this measure is to:

- (1) Establish an internet crimes against children fee upon each felony or misdemeanor conviction;
- (2) Require deposit of the fees into an internet crimes against children special fund to provide training and resources for local law enforcement agencies' and investigators' use in investigating and prosecuting internet crimes against children; and
- (3) Establish an internet crimes against children advisory committee.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Department of Public Safety; Department of the Prosecuting Attorney, County of Maui; Cyberspace Child Protection Campaign; PROTECT; and two individuals. Your Committees received comments from the Department of Budget and Finance.

Your Committees find that in 2008, USA Today reported that the Internet Crimes Against Children Task Forces had identified 2,297 unique computers in Hawaii trading sadistic images of infants and toddlers being tied up, tortured, and raped. Due to a lack of dedicated resources, only about two percent of known child exploitation offenders are being investigated. Most of these victims are abused by people in their own circle of trust, such as parents, relatives, neighbors, or friends, and most wait for a rescue that will never come due to a sheer lack of resources and manpower.

Your Committees have amended this measure by:

- (1) Expanding the list of offenses that constitute "internet crimes against children";
- (2) Clarifying the purpose for the imposition of internet crimes against children fees;
- (3) Changing the expending agency of the internet crimes against children special fund from the Department of Public Safety to the Department of the Attorney General and making a conforming amendment;
- (4) Deleting provisions that would have established an internet crimes against children advisory committee; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Technology and the Arts and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 702, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 702, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Kidani, Taniguchi).

Technology and the Arts

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

Judiciary and Labor

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

**SCRep. 389 (Joint) Technology and the Arts and Economic Development, Government Operations and Housing on S.B. No. 473**

The purpose and intent of this measure is to:

- (1) Clarify that electronic copies shall be construed in the same manner as an original document for purposes of Chapter 1, Hawaii Revised Statutes; and
- (2) Require that electronic copies are acceptable for all purposes as intended by the particular statute that references an original document or like terms, unless otherwise provided by that statute.

Your Committees received testimony in support of this measure from the Judiciary; Office of Management and Technology; and Department of the Corporation Counsel, City and County of Honolulu. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that the intent of this measure aligns with the State's Business and Information Technology/Information Resource Management Transformation Plan to move toward increased and improved electronic record keeping as outlined in the Digital Records Plan. Your Committees further find that it can be useful and economical to use electronic copies in place of paper copies of documents.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 473 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.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Slom).

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, English).

**SCRep. 390 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1315**

The purpose and intent of this measure is to permit officers of the Department of Homeland Security's Federal Protective Service (FPS) to make arrests without a warrant under certain conditions.

Your Committee received testimony in support of this measure from FPS and one individual. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that FPS is the uniformed and investigative law enforcement component of the Department of Homeland Security. FPS provides police services to federally owned, leased, or occupied properties and investigates crimes that affect those properties and personnel.

In order to take action related to a state violation that occurs on federal property, FPS is currently required to devote resources to respond to and investigate the incident, then request that local police also devote resources to respond, investigate, and assume responsibility for the incident. This duplicity is a drain on resources and taxpayer dollars, particularly when it is the primary mission of FPS to carry out this function.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1315 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 (Galuteria, Slom).

**SCRep. 391 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1304**

The purpose and intent of this measure is to:

- (1) Establish smart growth planning districts, create a comprehensive application process to apply for mixed-use qualified projects, and establish the transit-oriented redevelopment district program; and
- (2) Allow for the floor area from designated sending areas to be transferred to smart growth planning districts.

Prior to the hearing on this measure, your Committees posted for public review a proposed S.D. 1 to authorize the issuance of general obligation bonds in the sum of \$500,000,000 and to make an appropriation to the City and County of Honolulu for sewer infrastructure improvements.

Your Committees received testimony in support of the proposed S.D. 1 from the Mayor of the City and County of Honolulu, Department of Environmental Services, The Pacific Resource Partnership, Building Industry Association of Hawaii, The Chamber of Commerce of Hawaii, and two individuals.

Your Committees find that the City and County of Honolulu has an aging infrastructure that continues to deteriorate each day. Honolulu has some of the oldest sewer infrastructure in the State, especially in the urban core areas. Some of its oldest existing sewer lines were originally installed before statehood.

The City and County of Honolulu has approximately 2,100 miles of sewer lines that range in age from new to over 80 years old. It is constantly necessary to upgrade these sewer lines to ensure effective and safe operation, improve reliability, and provide necessary capacity for the community.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by deleting the specific dollar amount for the appropriation.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1304, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1304, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.  
Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, English).  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 392 (Joint) Energy and Environment and Economic Development, Government Operations and Housing on S.B. No. 318**

The purpose and intent of this measure is to ensure that labeling on plastic carryout bags about their impact on the environment is consistent with uniform and recognized standards.

Your Committees received testimony in support of this measure from Island Plastic Bags, Inc., and one individual. Your Committees received testimony in opposition to this measure from the Retail Merchants of Hawaii. Your Committees received comments on this measure from the Hawaii Food Industry Association.

Your Committees find that environmental marketing claims on plastic carryout bag labels, whether explicit or implied, should be substantiated by competent and reliable evidence to prevent deceiving or misleading consumers about the environmental impact of plastic carryout bags. For consumers to have accurate and useful information about the environmental impact of plastic carryout bags, environmental marketing claims should adhere to uniform and recognized standards, such as those standard specifications established by ASTM International.

Your Committees have amended this measure by:

- (1) Amending the definition of “reusable bag” to mean a bag with handles that is specifically designed and manufactured for multiple reuse and is made of cloth or other machine-washable fabric or durable material suitable for reuse, including plastic that is at least 2.25 mils thick;
- (2) Adds to the labeling requirement a requirement that the plastic carryout bag be labeled, marked, or tagged with the manufacturer’s name and ASTM International standard specification that the bag meets;
- (3) Deleting the compliance requirement that a manufacturer or supplier must submit to the public, upon request, information demonstrating that the labeling of plastic carryout bags sold complies with this measure;
- (4) Inserting a compliance requirement that as a condition precedent to selling a plastic carryout bag labeled as “compostable”, “biodegradable”, or “degradable”, the manufacturer or supplier of the plastic carryout bag shall submit to the Department of Health sufficient documentation to satisfactorily demonstrate that the plastic carryout bag meets the most current applicable ASTM International standard specification; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 318, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 318, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

**SCRep. 393 (Joint) Water and Land and Tourism and Hawaiian Affairs and Higher Education on S.B. No. 755**

The purpose and intent of this measure is to repeal the exemption from legislative approval for sales of non-ceded lands conveyed to the University of Hawaii after December 31, 1989, to which the University of Hawaii holds title.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and two individuals. Your Committees received testimony in opposition to this measure from the University of Hawaii System.

Your Committees find that the intent of Act 56, Session Laws of Hawaii 2010, which enacted the amendment to section 171-64.7(b), Hawaii Revised Statutes, being repealed by this measure, was for the exemption to apply only to the West Oahu campus as evidenced by the language of Senate Standing Committee Report No. 2975, Regular Session of 2010, on H.B. No. 2561, S.D. 1, which reads in part: “Your Committees find that the Campbell Estate gifted non-ceded lands to the University of Hawaii for the specific purpose of building the West Oahu campus, with the condition that construction begin by December 31, 2011 or the land reverts to the Campbell Estate. Portions of the gifted land surrounding the proposed campus are to be sold to expedite the financing of the construction of the new campus, however, the legislative approval process may cause delays in these sales thus resulting in the condition not being met.”

According to testimony, the West Oahu campus has been largely built out, and the threat of reversion of the land to the Campbell Estate no longer exists. Therefore, the exemption is no longer necessary.

Your Committees further find that legislative approval for the alienation of public lands is in the public interest and should not be circumvented by statutory exemptions given to any department or agency. Testimony indicated that the University of Hawaii may hold title to other public lands surrounding other campuses that could be sold by the University without legislative approval. This measure is intended to repeal that ability.

Your Committees have amended this measure by:

- (1) Inserting language to exempt from legislative approval two identified portions of the lands controlled by the University of Hawaii that could be sold for the benefit of the West Oahu campus;
- (2) Inserting language to repeal the exemption for the lots for the West Oahu campus on July 1, 2016, which should provide sufficient time for West Oahu to complete its land development; 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 Water and Land and Tourism and Hawaiian Affairs and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 755, as



amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 755, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

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

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Keith-Agaran, Kidani).

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Tokuda).

**SCRep. 394 Health on S.B. No. 689**

The purpose and intent of this measure is to clarify that the medical use of marijuana is consistent with the Pain Patient's Bill of Rights in chapter 327H, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from The Libertarian Party of Hawaii, Big Island Americans for Safe Access, The Drug Policy Forum of Hawai'i, American Civil Liberties Union of Hawai'i, The Drug Policy Action Group, and thirty-six individuals. Your Committee received testimony in opposition to this measure from the Honolulu Police Department.

Your Committee finds that the Pain Patient's Bill of Rights focuses largely on patient access issues relating to opiate medications. This measure incorporates medical marijuana into the Pain Patient's Bill of Rights and affirms the right of patients to use medical marijuana for pain control.

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. 689 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 (Nishihara).

**SCRep. 395 Health on S.B. No. 137**

The purpose and intent of this measure is to appropriate an unspecified amount to the Department of Health to create one full-time position in the Department to facilitate licensing of home care agencies.

Your Committee received testimony in support of this measure from the Department of Health and Healthcare Association of Hawaii.

Your Committee finds that home care agencies employ workers who assist a growing number of older adults and those with chronic illnesses or disabilities. Home care workers are referred to by a variety of job titles, including certified nursing assistants, care assistants, and home care aides. They make it possible for people with functional limitations to remain at home in a comfortable, familiar environment by providing a wide range of assistance with the activities of daily living.

Your Committee further finds that in 2009, the Legislature passed Act 21, Special Session Laws of Hawaii 2009. The purpose of Act 21 is to protect consumers of home care services by requiring home care agencies to be licensed. The Department of Health is collaborating with home care agencies, consumer advocates, and other stakeholders to draft the administrative rules needed to implement licensing. The licensing fees charged to home care agencies will cover administrative costs associated with licensing, but initial funding is needed to start the licensing process so that fees can be collected.

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. 137, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 396 Health on S.B. No. 1306**

The purpose and intent of this measure is to permit the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

Your Committee received testimony in support of this measure from the Maui Region Hawaii Health Systems Corporation, Banner Health, and numerous individuals. Your Committee received testimony in opposition to this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO and numerous individuals. Your Committee received comments on this measure from the Department of Budget and Finance and Hawaii Health Systems Corporation.

Your Committee finds that the Hawaii Health Systems Corporation continues to face financial challenges, including increased operating and capital improvement costs, budget shortfalls, budgetary restrictions, and declining government and third-party subsidies. Your Committee further finds that declining subsidies and deteriorating infrastructure will inevitably affect quality of care. These challenges require innovative alternatives, including exploration of a public-private partnership and a transition into a non-public entity, that can help improve and enhance the delivery of health care throughout the State. This measure therefore advances the State's commitment to providing high quality health care by allowing the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

Your Committee has amended this measure by:

- (1) Specifying that a transition to non-public status shall only occur upon approval by:
  - (A) An affirmative vote of both houses of the Legislature, through concurrent resolution;
  - (B) The regional system board; and
  - (C) Boards in whose region or regions the health facility assets are located;
- (2) Revising language that specified that the employees of the new entity, unless the new entity was a municipal facility, and the private entity shall be exempt from chapters 76, 87A, 88, and 89, Hawaii Revised Statutes, and in no event shall the employees of the new entity or the private entity be considered as employees of the State;
- (3) Inserting an effective date of January 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1306, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1306, 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, none.

**SCRep. 397 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on S.B. No. 932**

The purpose and intent of this measure is to:

- (1) Prohibit any person who is a danger to self or danger to others from possessing, having custody or control of, receiving, purchasing, or attempting to receive or purchase firearms or other dangerous or deadly weapons;
- (2) Create a reporting system for persons who seriously threaten a readily identifiable person or persons to a mental health professional;
- (3) Require the Department of Public Safety to create a database and list of persons prohibited from possessing, having custody or control of, receiving, purchasing, or attempting to receive or purchase firearms and other dangerous or deadly weapons, which will be accessible to law enforcement, mental health professionals, and sellers of firearms;
- (4) Require the Department to make a list of persons whose license for firearms or other dangerous or deadly weapons has been revoked; and
- (5) Exempt any communication under this measure from applicable privileges.

Your Committees received testimony in support of this measure from the Department of the Attorney General, Department of Health, Department of Public Safety, and five individuals. Your Committees received testimony in opposition to this measure from the National Rifle Association, Hawaii; Hawaii Rifle Association; Community Alliance for Mental Health; and one hundred thirty-eight individuals. Your Committees received comments on this measure from Mental Health America of Hawaii and three individuals.

Your Committees find that Hawaii is very restrictive in its firearm permits and sale of automatic weapons. State law prohibits ownership or possession of firearms for a person who has been acquitted of a crime on the grounds of mental disease, disorder, or defect or has been diagnosed as having a significant behavioral, emotional, or mental disorder, and for a person who has been diagnosed as having a significant behavioral, emotional, or mental disorder as defined by the American Psychiatric Association. Also, the Adult Mental Health Division has in place operating procedures for firearms screening in collaboration with the county police departments. However, the precautionary measures that are needed that relate to mental health and firearms deserve more consideration.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Establish a mental health and firearms task force to:
  - (A) Research current state laws, both locally and nationally, relating to mental health and firearms; and
  - (B) Based on findings, recommend legislation to address the issue of mental health and firearms;
- (2) Designate members of the task force; and
- (3) Require the task force to submit a report of findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 932, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 932, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 398 (Joint) Health and Commerce and Consumer Protection on S.B. No. 667**

The purpose and intent of this measure is to regulate pharmacy benefit management companies in Hawaii. Specifically, this measure:

- (1) Requires the registration of and regulates the practices of pharmacy benefit management companies beginning on January 1, 2014; and
- (2) Authorizes periodic audits of pharmacies that submit claims to pharmacy benefit management companies.

Your Committees received testimony in support of this measure from three individuals. Testimony in opposition to this measure was submitted by the Hawaii Medical Service Association, CVS Caremark Corporation, and Pharmaceutical Research and Manufacturers of America.

Your Committees find that pharmacy benefit management companies provide prescription drug services on behalf of plan sponsors, including self-insured employers, insurers, unions, mutual benefit societies, and health maintenance organizations. As part of these services, pharmacy benefit management companies act as intermediaries that negotiate services and costs with pharmacies and rebate earnings with pharmaceutical companies. This measure regulates pharmacy benefit management companies to ensure financial reliability, regulate the licensing of pharmacy benefit management companies, prevent predatory pricing, and mandate disclosure of drug costs and financial contracts.

Your Committees note the following concerns raised in the written testimony submitted in opposition to this measure. The Hawaii Medical Service Association raised concerns that this measure implies that pharmacy benefit management companies dictate pharmacy benefits, such as restrictive network, mandatory mail order, and copayments, but employer groups and other payers are the entities that make these benefits design decisions, not pharmacy benefit management companies. CVS Caremark Corporation testified that by regulating pharmacy benefit management companies, this measure may open the door to fraud, abuse, and wasteful spending in health care.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the provisions that:
  - (A) Requires pharmacy benefit management companies to register with the Insurance Commissioner by January 1, 2014;
  - (B) Require an auditing entity to conduct an audit of the records of a pharmacy for claims submitted for payments after July 1, 2013, in accordance with specified criteria;
  - (C) Require each pharmacy benefit management company to make available to its enrollees specified information;
  - (D) Prohibit certain activities committed by a pharmacy benefit management company; and
  - (E) Establish penalties;
- (2) Clarifying that the Insurance Commissioner is required to consult with the Board of Pharmacy in adopting rules to implement this measure;
- (3) Inserting an effective date of January 1, 2050, to encourage 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. 667, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 667, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

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

**SCRep. 399 (Joint) Health and Commerce and Consumer Protection on S.B. No. 1241**

The purpose and intent of this measure is to amend section 480-11(d), Hawaii Revised Statutes, to exclude from unfair competition and anti-trust law, certain discussions between health care providers or facilities, managed care plans, government agencies, or health care related organizations, under certain circumstances.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii and Hawaii Medical Service Association. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that developing uniform administrative standards and procedures will enhance the quality of health care in Hawaii. Such standards include pre-authorization forms, drug formularies, credentialing forms, quality metrics, and patient demographic information. In the development of these standards, it is important to encourage discussion and agreements among health care providers, insurers, and other health care organizations. Since antitrust laws are likely to have a dampening effect on such discussions, this measure will facilitate collaborative efforts among Hawaii's health care providers and other relevant health care entities and assist them in improving health care quality while controlling costs.

Your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Describe in a findings and purpose section the importance of developing and implementing strategies and rules directed at improving the quality and cost-effectiveness of the health care delivery system in the State;
- (2) Establish the health care transformation program within the Department of Commerce and Consumer Affairs whose principal mission is to plan, develop, and implement initiatives and policies directed at improving the quality and cost-effectiveness of the health care delivery system in the State and ensuring that Hawaii residents and visitors have access to high quality and cost effective health care;
- (3) Specify the types of strategies that the Department shall develop in regard to the health care transformation program;
- (4) Allow the Department to informally consult with any stakeholder or subject matter expert in order to facilitate the development and monitor the effectiveness of any strategies or to facilitate the adoption or monitor the effectiveness of any rules to implement the strategies;
- (5) Require the Director of Commerce and Consumer Affairs to submit a report of strategies and findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 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 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. 1241, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1241, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 6; Ayes with Reservations (Solomon, Slom). Noes, none. Excused, 1 (Taniguchi).

**SCRep. 400 Health on S.B. No. 1238**

The purpose and intent of this measure is to, among other things, establish the maternal mortality review committee to conduct comprehensive reviews on maternal deaths in Hawaii.

Your Committee received testimony in support of this measure from the Hawai'i Women's Coalition, Planned Parenthood of Hawaii, American Congress of Obstetricians and Gynecologists, and eleven individuals.

Your Committee finds that Hawaii is one of only fourteen states that do not have an active maternal mortality review committee. This measure will establish a group to conduct comprehensive reviews of maternal deaths in the State for the purpose of identifying factors associated with maternal deaths and improving services for women in the State.

Your Committee has amended this measure by:

- (1) Adding a definition of "director" to mean the Director of Health;
- (2) Amending the definition of the term "maternal mortality" to include "pregnancy-related death", "pregnancy-associated death", and "pregnancy-associated, but not pregnancy-related death";
- (3) Changing all references from "maternal mortality review committee" to "maternal mortality review panel";
- (4) Requiring the Director of Health to consult with various stakeholder groups in selecting the members of the maternal mortality review panel;
- (5) Amending the composition of the maternal mortality review panel to provide more specificity in the number of members and the entities or organizations to be represented, including:
  - (A) Two members from the Hawaii Section of the American Congress of Obstetricians and Gynecologists, one of whom shall be a generalist and one of whom shall be a maternal fetal medicine specialist;
  - (B) One member from the Hawaii Chapter of the American Academy of Pediatrics, specializing in neonatology;
  - (C) One member from the Hawaii Medical Association;
  - (D) One member from the Hawaii Chapter of the American College of Nurse Midwives;
  - (E) One member from the Hawaii Section of the Association of Women's Health, Obstetric and Neonatal Nurses;
  - (F) The head of the Department of Health's Maternal and Child Health Branch, or a designee;
  - (G) An epidemiologist from the Department of Health with experience analyzing perinatal data, or a designee;
  - (H) A representative of community mental health centers; and
  - (I) A member of the public;
- (6) Increasing the number of years each member of the maternal mortality review panel may serve from two to three years and specifying that the member's terms shall be staggered;

- (7) Adding language to specify that in addition to conducting comprehensive, multidisciplinary reviews of maternal mortality, members of the maternal mortality review panel shall be responsible for disseminating panel recommendations to the members' respective institutions and professional organizations, as applicable, subject to certain requirements;
- (8) Amending language requiring the Director of Health, in collaboration with the maternal mortality review panel, to submit an annual report to the Chairs of the Senate and House Committees on Health, rather than to the Legislature;
- (9) Adding language clarifying that the maternal mortality review panel shall not have the power to:
  - (A) Call witnesses or take testimony for any individual involved in the investigation of a maternal death; or
  - (B) Enforce any public health standard or criminal law or otherwise participate in any legal proceeding, except in certain circumstances;
- (10) Adding language making the maternal mortality review panel's proceedings, records, and opinions confidential, unless otherwise provided by law;
- (11) Adding language specifying that members of the maternal mortality review panel shall not be questioned in civil or criminal proceedings regarding information presented in or opinions formed during a meeting of the panel, unless otherwise required by law;
- (12) Adding language requiring health care providers, health care facilities, clinic, laboratories, medical records departments, and state offices, agencies, and departments to report all maternal mortality events to the Director of Health and the maternal mortality review panel;
- (13) Adding language giving the Director of Health authority to acquire any information necessary to ensure that the maternal mortality review panel's records are accurate and complete;
- (14) Adding language specifying when the Director of Health may acquire and retain individually identifiable information; provided that such information on individuals shall be removed before the information is reviewed by the maternal mortality review panel;
- (15) Adding language prohibiting the chair of the maternal mortality review panel from acquiring or retaining any individually identifiable information;
- (16) Adding language requiring that if a root cause analysis of a maternal mortality event has been completed, the findings of the analysis be provided to the maternal mortality review panel;
- (17) Adding a definition for "individually identifiable information" to include vital records; hospital discharge data; prenatal, fetal, pediatric, or infant medical records; hospital or clinic records; laboratory reports; records of fetal deaths or induced terminations of pregnancies; and autopsy reports;
- (18) Requiring the Director of Health, with the advice and recommendation of a majority of the members of the maternal mortality review panel, to adopt rules relating to:
  - (A) The system for identifying and reporting maternal mortality events to the Director of Health;
  - (B) The form and manner thorough which the maternal mortality review panel may acquire information;
  - (C) The protocol to be used in contacting a family member of the deceased woman for a discussion of the maternal mortality event, including allowing family members to delay or refuse such a discussion; and
  - (D) Ensuring the confidentiality of all individuals and facilities involved in the maternal mortality review panel's review of maternal mortality events;
- (19) Reinstating references to the perinatal mortality study committee of the Hawaii Medical Association in sections 324-1 and 324-2, Hawaii Revised Statutes, relating to protected information and restrictions on the identification of persons studied for the purpose of reducing morbidity and mortality; and
- (20) Making 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. 1238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1238, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 401 (Majority) Judiciary and Labor on S.B. No. 331**

The purpose and intent of this measure is to increase the minimum wage in accordance with the cost of inflation on an annual basis. Specifically, this measure:

- (1) Increases the minimum wage to \$8.25 per hour starting on July 1, 2013;
- (2) Increases the minimum wage to \$8.75 per hour starting on July 1, 2014, and ending on June 30, 2015; and
- (3) Authorizes the Department of Labor and Industrial Relations to adjust the minimum hourly wage in accordance with the consumer price index starting on July 1, 2015.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by increasing the minimum wage in increments of fifty cents over a three year period. Specifically, the proposed S.D. 1:

- (1) Increases the minimum wage to \$8.25 per hour starting on July 1, 2013;
- (2) Increases the minimum wage to \$8.75 per hour starting on July 1, 2014;
- (3) Increases the minimum wage to \$9.25 starting on July 1, 2015, and ending on June 30, 2016; and
- (4) Authorizes the Department of Labor and Industrial Relations to adjust the minimum hourly wage in accordance with the consumer price index starting on July 1, 2016.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Human Services; American Civil Liberties Union of Hawaii; Hawaii Appleseed Center for Law and Economic Justice; United Public Workers, AFSCME Local 646, AFL-CIO; Pride At Work Hawaii; Hawaii Catholic Conference; Hawaii State AFL-CIO; The Pacific Resource Partnership; International Longshore and Warehouse Union, Local 142; American Income Life Insurance Company; Unite Here Local 5; and two private individuals. Testimony in opposition to this measure was submitted by the Retail Merchants of Hawaii; Ito En (USA) Inc.; Dole Food Co. Hawaii; The Hawaii Business League; Foodland Supermarket Ltd.; The Libertarian Party of Hawaii; Pacific Quest; The Chamber of Commerce of Hawaii; NFIB Hawaii; Hawaii Restaurant Association; and two private individuals. The Department of Human Resources Development submitted comments.

Your Committee finds that the last time the minimum wage was increased was in 2007 and has not been raised in accordance with cost of living increases. According to the Department of Labor and Industrial Relations, as of January 1, 2013, twenty states or jurisdictions had a higher minimum wage than Hawaii, with ten of these states indexing their minimum wage to inflation so that the real value of the minimum wage does not fall below the rate of inflation every year.

The proposed S.D. 1 increases the State's minimum wage in an increment of fifty cents per hour over a three year period. Furthermore, authorizing the Department of Labor and Industrial Relations to adjust the minimum hourly wage in accordance with the consumer price index starting on July 1, 2016, provides a mechanism to ensure that the minimum wage keeps up with the cost of inflation.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Specifying that the Department of Labor and Industrial Relations is authorized to adjust the minimum hourly wage in accordance with the consumer price index beginning on September 30, 2015, rather than September 30, 2016;
- (2) Adopting the suggestion made by the Department of Labor and Industrial Relations to delete language regarding the calculation of an adjusted minimum wage that the Department believes is unnecessary; 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. 331, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 331, S.D. 1, and be 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. 402      Judiciary and Labor on S.B. No. 873**

The purpose and intent of this measure is to enhance collection of payments pursuant to a court order of judgment for restitution in a criminal matter. Specifically, this measure:

- (1) Creates standards and procedures for income withholding for purposes of enforcing restitution orders to ensure that an offender pays restitution;
- (2) Amends the definition of "debt" under the laws relating to the recovery of money owed to the State to include court-ordered restitution subject to civil enforcement;
- (3) Removes the court's authority to revoke restitution once ordered to ensure that the crime victim is paid restitution in full;
- (4) Requires that any bail posted by a defendant is applied toward payment of any court-ordered restitution in the same case; and
- (5) Extends victims' access to adult probation records for crime victims to track restitution payments, outstanding balances, and dates of compliance for the purpose of enforcing restitution orders.

Your Committee received testimony in support of this measure from the Crime Victim Compensation Commission; Department of the Prosecuting Attorney, City and County of Honolulu; and Office of the Prosecuting Attorney, County of Kaua'i. Testimony in opposition to this measure was submitted by the Judiciary, Department of the Attorney General, and Office of the Public Defender.

Your Committee finds that victim restitution is a crime victim's right that is intended to address the physical, emotional, psychological, social, and financial impacts of a crime. According to the written testimony submitted by the Crime Victim Compensation Commission, the failure to collect court-ordered restitution while an offender is "on status" (incarcerated, on parole, or on probation) is a long standing problem and that crime victims often lack the effective means to collect restitution once the offender is "off status" (no longer incarcerated, on parole, or on probation). The Commission noted that once an offender is "off status", the only tool available to a crime victim is civil enforcement, but only if the offender has significant assets and the crime victim has the financial resources to hire an attorney. This measure facilitates the payment of restitution to crime victims.

Your Committee notes the concerns raised in the written testimony submitted by the Judiciary and Department of the Attorney General. The Judiciary indicated that this measure will result in a significant increase in workload for the court's programs and without appropriate resources the Judiciary will be unable to carry out this measure. Furthermore, the Department of the Attorney General indicated that this measure could potentially conflict with the federal requirement under the Social Security Act that withholding for support collection is given priority over any other legal process under state law against the same income. The Department warned that noncompliance with the federal law could jeopardize federal welfare funding and the federal funding of the child support enforcement programs for the State.

Your Committee further notes that this measure is similar to H.B. No. 234 (Regular Session of 2013) and that the Department of the Prosecuting Attorney of the City and County of Honolulu prefers the amendments made under H.B. No. 234, H.D. 1, with additional amendments.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the suggested language from the Department of the Prosecuting Attorney of the City and County of Honolulu to:
  - (A) Clarify in the title of the new section that creates standards and procedures for income withholding for purposes of enforcing restitution orders that income withholding is for payment of restitution;
  - (B) Make conforming amendments for the purposes of consistency that change references from "working days" to "business days" and change references from "agency" to "court";
  - (C) Clarify that any order made pursuant to chapter 576E, Hawaii Revised Statutes, has first priority over an income withholding order for payment of restitution;
  - (D) Amend the definition of "income" to delete unemployment compensation, disability benefits, or return of contributions and interest on any entitlement to money from the United States government and add fees and bonuses as sources of qualified income;
  - (E) Require a defendant who changes employer when an income withholding order is in effect to notify and provide the clerk of the court with the new employer's contact information within five business days of the change;
  - (F) Add the definition of "employer"; and
  - (G) Appropriate an unspecified amount for fiscal years 2013-2014 and 2014-2015 to the Judiciary for the purpose of enhancing restitution collection and the hiring of any necessary staff to implement this measure; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 873, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 873, 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 (Ihara). Noes, none. Excused, 1 (Slom).

**SCRep. 403 (Joint) Higher Education and Judiciary and Labor on S.B. No. 1385**

The purpose and intent of this measure is to require the Board of Regents of the University of Hawaii (Board of Regents) to undergo training on the Board of Regents' policies and procedures; chapter 92, Hawaii Revised Statutes (HRS), Hawaii's sunshine law; and chapter 92F, HRS, Hawaii's open records laws.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the Board of Regents and Office of Information Practices.

Your Committees find that on August 29, 2012, pursuant to Senate Rule 20, the Senate President appointed a Senate Special Committee on Accountability (Special Committee) to conduct informational briefings to review the oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System.

The Special Committee found, among other things, that members of the Board would benefit from receiving training to better understand its own policies and procedures as well as training on Hawaii's sunshine and open records laws. This measure will ensure that members of the Board receive the necessary training.

As affirmed by the records of votes of the members of your Committees on Higher 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. 1385 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.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Tokuda).

Judiciary and Labor

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

**SCRep. 404 (Joint) Higher Education and Technology and the Arts on S.B. No. 460**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii for the hiring of one full-time equivalent librarian position for the Okinawan collection at the University of Hawaii at Manoa library.

Your Committees received testimony in support of this measure from the University of Hawaii System and three individuals.

Your Committees find that the collection of Okinawa-related literature and resources at the University of Hawaii at Manoa is the largest and most comprehensive collection outside of Japan. This measure will allow the University of Hawaii at Manoa to hire one full-time librarian to oversee and further develop the collection.

Your Committees note that the position to be funded by this measure will require approximately \$60,000 plus fringe benefits.

As affirmed by the records of votes of the members of your Committees on Higher Education and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 460 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.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Tokuda, Slom).

Technology and the Arts

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

**SCRep. 405 (Joint) Higher Education and Technology and the Arts on S.B. No. 678**

The purpose and intent of this measure is to appropriate funds to support the activities of the 'Ulu'ulu: Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i (Moving Image Archive).

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i West O'ahu; Nā Maka o ka 'Āina; and two individuals.

Your Committees find that the Moving Image Archive is the State's official archive for moving images and is dedicated to the care, preservation, and digitization of film and videotape related to the history and culture of Hawaii.

Your Committees note that the Moving Image Archive will need approximately \$400,000 for assistance to carry out its mission.

Your Committees have amended this measure by:

- (1) Deleting the specific dollar amount to be appropriated 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 Higher Education and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 678, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 678, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Tokuda, Slom).

Technology and the Arts

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

**SCRep. 406 (Joint) Higher Education and Commerce and Consumer Protection on S.B. No. 46**

The purpose and intent of this measure is to create the framework for authorizing private post-secondary educational institutions in the State in order to comply with regulations authorized under Title VI of the Higher Education Act of 1965, as amended.

Your Committees received testimony in support of this measure from the Governor, University of Hawai'i System, Hawaii Pacific University, Chaminade University of Honolulu, University of Phoenix, and one individual. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Commerce and Consumer Protection, and Heald College.

Your Committees find that in October 2010, the United States Department of Education issued new regulations for programs authorized under Title IV of the Higher Education Act of 1965, as amended, to hold programs accountable for preparing students for gainful employment, protect students from misleading recruiting practices, ensure that only eligible students receive financial aid, and strengthen federal aid programs.

Your Committees further find that the State was unable to satisfy all of the requirements of the Higher Education Act of 1965, as amended, 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. The State must proactively examine the requirements of the Higher Education Act of 1965, as amended, and ensure state compliance.

In fiscal year 2011, roughly 63,000 students in Hawaii received more than \$283,000,000 in federal funds under Title IV of the Higher Education Act of 1965, as amended. It is imperative that Hawaii does not jeopardize the receipt of federal funds under Title IV of the Higher Education Act of 1965, as amended.

Your Committees note that as this measure moves forward, the initial fee for authorization will need to be established. There is a broad range of fees established in other states that authorize post-secondary educational institutions. As this measure moves forward, the Committees would recommend looking at the fee schedule established by Colorado.

Your Committees have amended this measure by:



- (1) Revising the purpose section to, among other things, emphasize the importance of complying with the Higher Education Act of 1965, as amended;
- (2) Clarifying that the definition of “physical presence” includes providing an office space for either instructional or non-instructional staff;
- (3) Clarifying that to be considered a bona fide religious post-secondary educational institution, under the definition of “seminary” or “religious training institution”, an institution must be exempt from property taxes under state law;
- (4) Adding language to make unaccredited post-secondary institutions that are currently governed by chapter 446E, Hawaii Revised Statutes, subject to the requirements of this measure and treated as private colleges or universities beginning on July 1, 2015;
- (5) Clarifying that in order for private colleges, universities, seminaries, and religious training institutions to operate in the State, they must either meet the requirements of state authorization or be party to a reciprocity agreement to which the State is a member;
- (6) Adding language to require that a private college or university notify the Department of Commerce and Consumer Affairs within thirty days of any material information related to the institution’s accrediting body regarding the institution’s accreditation status;
- (7) Requiring that a private college, university, seminary, or religious institution provide the Department of Commerce and Consumer Affairs with a copy of its enrollment agreement, if applicable, in accordance with its reauthorization schedule rather than annually;
- (8) Repealing chapter 446E, Hawaii Revised Statutes, on July 1, 2015;
- (9) Requiring the State Post-Secondary Education Commission to submit a report to the Legislature; 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 Higher Education and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 46, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 46, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 6; Ayes with Reservations (Ige). Noes, none. Excused, 1 (Slom).

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Taniguchi, Slom).

**SCRep. 407 (Joint) Higher Education and Economic Development, Government Operations and Housing and Judiciary and Labor on S.B. No. 1388**

The purpose and intent of this measure is to:

- (1) Reduce the number of members of the Board of Directors of the Research Corporation of the University of Hawaii (RCUH) from ten to eight members;
- (2) Reduce the number of members of the Board of Regents of the University of Hawaii (Board of Regents) who must be members of the Board of Directors of RCUH from five to two members and makes them subject to the advice and consent of the Senate;
- (3) Specify the qualifications of the five members of the Board of Directors of RCUH to be selected by the Governor;
- (4) Add the Vice President for Research of the University of Hawaii System as an ex officio member of the Board of Directors of RCUH;
- (5) Provide that RCUH’s exemption from the procurement requirements of chapter 103D, Hawaii Revised Statutes (HRS), applies only for contracts that are directly related to research, and contracts for investigations, training, and studies that are directly related to research, with a total maximum estimated value of an unspecified dollar amount;
- (6) Remove the University of Hawaii President’s authority to serve as the President of RCUH;
- (7) Authorize the Board of Directors of RCUH to employ an Executive Director whose salary is capped at the salary of the highest paid head of a department within the Executive Branch;
- (8) Authorize the Executive Director of RCUH, rather than the Board of Directors, to hire and oversee necessary officers and employees; and
- (9) Specify that the Board of Directors of RCUH shall not engage in the daily management and operation of RCUH.

Your Committees received testimony in opposition to this measure from the University of Hawai‘i System, RCUH, and five individuals. Your Committees received comments on this measure from the Institution for Astronomy and one individual.

Your Committees find that concerns have been raised as to whether RCUH and its Board of Directors have been given a broader range of authority and flexibility than originally intended. Specifically, your Committees are concerned that RCUH’s exemptions from

certain state laws were used for the construction of the University of Hawaii West Oahu in areas that were clearly instructional and not related in any way to research.

Your Committees further find that this measure will clarify the role of RCUH and its Board of Directors, as well as the relationship between the Board of Directors and the University of Hawaii System.

Your Committees note the testimony of the Board of Directors of RCUH that it should maintain authority to hire staff and determine staff responsibilities and salaries. Your Committees believe it should be the Board of Directors of RCUH to provide oversight and governance and that the Executive Director should be responsible for the daily management and operations of RCUH. The testimony of RCUH assured your Committees that RCUH's Bylaws clearly provide for this separation of powers between the Board of Directors and the Executive Director over the daily management and operations of RCUH.

Your Committees have amended this measure by:

- (1) Deleting language making the two members of the Board of Regents selected to serve on the Board of Directors of RCUH subject to the advice and consent of the Senate;
- (2) Deleting language limiting RCUH's exemption from the procurement requirements of chapter 103D, HRS, only to contracts that are directly related to research, and contracts for investigations, training, and studies that are directly related to research, with a total estimated value of an unspecified dollar amount or less, and inserting language prohibiting RCUH's use of its procurement exemption for construction contracts for which the total estimated value of state funds to be used is an unspecified amount or more;
- (3) Amending the restriction on the Executive Director's salary to provide that the Executive Director's salary shall not be more than two times greater than the salary of the highest paid head of a department within the Executive Branch, rather than not greater than that of the highest paid department head;
- (4) Deleting language that transferred the authority of the Board of Directors of RCUH to hire, oversee, and grant benefits for officers and employees to the Executive Director;
- (5) Deleting language specifying that the Board of Directors of RCUH shall not engage in the daily management and operation of RCUH; and
- (6) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Government Operations 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. 1388, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1388, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Tokuda).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

Judiciary and Labor

Ayes, 3. Noes, none. Excused, 2 (Ihara, Shimabukuro).

**SCRep. 408 (Joint) Higher Education and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1221**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to hire a program coordinator and a technical support staff member for the proposed international flight training center and degree program at the University of Hawaii at Hilo and Hawaii Community College.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Transportation; County of Hawai'i; University of Hawai'i at Hilo; University of Hawai'i at Manoa Hawai'i Space Grant Consortium; Hawai'i Community College; Iron Workers Stabilization Fund; and twenty-four individuals.

Your Committees find that pursuant to Senate Concurrent Resolution No. 156, S.D. 1, adopted during the Regular Session of 2012, the Legislature urged the creation of an exploratory committee to consider the establishment of an international flight training center and associated aeronautical training programs at the University of Hawaii at Hilo and Hawaii Community College.

Your Committees further find that this measure will provide the needed funding to complete the necessary studies and planning for the programs' future implementation.

The University of Hawaii estimates that it will need \$221,863 per fiscal year to hire a program coordinator and a technical support staff member, as well as for other personal services. The estimated overhead costs are \$128,137 per fiscal year. It is the University's hope that these amounts will be a one-time cost for the program and that the necessary studies and planning can be completed in one year.

Your Committees have amended this measure by:

- (1) Deleting the specific dollar amount to be appropriated 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 Higher Education and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1221, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1221, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 409 Higher Education on S.B. No. 453**

The purpose and intent of this measure is to propose an amendment to article X, section 6, of the Hawaii State Constitution to repeal the requirement that the Governor make appointments to the Board of Regents of the University of Hawaii from pools of qualified candidates presented to the Governor by the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Candidate Advisory Council).

Your Committee received testimony in support of this measure from the Office of the Governor and University of Hawaii Professional Assembly. Your Committee received testimony in opposition to this measure from the Candidate Advisory Council and the Graduate Student Organization of the University of Hawaii.

Your Committee finds that it has become clear that the Governor will not be able to adequately select nominees to the Board of Regents unless the Governor has more control and involvement in the recruitment and selection process. Your Committee believes that it is appropriate to reassess and seriously consider repealing the Candidate Advisory Council. This measure will allow voters to consider whether the Candidate Advisory Council should no longer be constitutionally mandated.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 453 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. 410 Higher Education on S.B. No. 1386**

The purpose and intent of this measure is to require members of the Board of Regents of the University of Hawaii to file an annual disclosure of financial interests with the Hawaii State Ethics Commission that will be a public record and available for inspection and duplication.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and one individual.

Your Committee finds that a large number of employees and officers of the State are required to file an annual disclosure of financial interests with the Hawaii State Ethics Commission. As members of the entity that governs the only public institution of higher learning in the State, members of the Board of Regents should similarly be required to file a disclosure of financial interests that is public record in order to help deter conflicts of interest and promote greater openness and transparency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1386 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. 411 Higher Education on S.B. No. 1387**

The purpose and intent of this measure is to give the Governor the authority to reject the list of nominees to the Board of Regents of the University of Hawaii (Board of Regents) presented by the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Candidate Advisory Council) and require the Candidate Advisory Council to provide another list of nominees to the Governor within sixty days.

Your Committee received testimony in opposition to this measure from the University of Hawaii Professional Assembly. Your Committee received comments on this measure from the Office of the Governor, Candidate Advisory Council, and one individual.

Your Committee finds that allowing the Governor to reject the list of nominees and requiring the Candidate Advisory Council to present the Governor with another list within sixty days will increase the Governor's ability to appoint highly qualified individuals to serve as Regents and effectively lead the University of Hawaii System.

Your Committee has amended this measure by:

- (1) Adding language to provide that each member shall serve for the duration of the term of the member's appointing authority, up to a maximum of four years per term; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1387, 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. 412 Higher Education on S.B. No. 380**

The purpose and intent of this measure is to appropriate funds for the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo to conduct a needs assessment for a potential learning center project in Puna on the island of Hawaii.

Your Committee received testimony in support of this measure from the University of Hawai'i at Hilo; College of Agriculture, Forestry, and Natural Resource Management at the University of Hawai'i at Hilo; Hawaiian Shores Community Association; Hawaii Island School Garden Network; Ho'oulu Lahu'i, Inc.; Global Ecology Foundation; and ten individuals.

Your Committee finds that the College of Agriculture, Forestry, and Natural Resource Management of the University of Hawaii at Hilo is exploring a higher education learning center project in the district of Puna, Hawaii, to identify educational and training needs and design a business incubator to support job growth in the district. The initial focus will be on outreach and conducting a needs assessment. This measure will provide the necessary funds to get the project off the ground.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 380, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 380, 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 (Ige, Keith-Agaran, Tokuda).

**SCRep. 413 Higher Education on S.B. No. 452**

The purpose and intent of this measure is to reestablish the Governor's authority to nominate and, with the advice and consent of the Senate, appoint the members of the Board of Regents of the University of Hawaii (Board of Regents) by repealing the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Candidate Advisory Council), effective upon ratification of an amendment to article X, section 6, of the Hawaii State Constitution that repeals provisions related to the Candidate Advisory Council.

Your Committee received testimony in support of this measure from the Office of the Governor, University of Hawaii Professional Assembly, and one individual. Your Committee received testimony in opposition to this measure from the Candidate Advisory Council and three individuals.

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, your Committee finds that while the Candidate Advisory Council has nominated several outstanding appointees to the Board of Regents, a number of issues have arisen regarding the method of Regent selection that has hampered the work of the Candidate Advisory Council and led to questions regarding the final selection of appointees during the Senate confirmation process. The latest example is the Senate's rejection of two of the Governor's nominees to the Board of Regents during the Regular Session of 2011.

Your Committee further finds that the Governor will not be able to adequately select nominees to the Board of Regents unless the Governor has more control and involvement in the recruitment and selection process. Your Committee believes that it is appropriate to reassess and seriously consider repealing the Candidate Advisory Council.

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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 452, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 452, 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. 414 Higher Education on S.B. No. 563**

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 (Candidate Advisory Council).

Your Committee received testimony in support of this measure from the Office of the Governor. Your Committee received testimony in opposition to this measure from the Candidate Advisory Council, University of Hawaii Professional Assembly, and Graduate Student Organization of the University of Hawai'i at Mānoa.

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, your Committee finds that while the Candidate Advisory Council has nominated several outstanding appointees to the Board of Regents, a number of issues have arisen from the method of Regent selection that has hampered the work of the Candidate Advisory Council and led to questions regarding the final selection of appointees during the Senate confirmation process. The most recent example is the Senate's rejection of two of the Governor's nominees to the Board of Regents during the Regular Session of 2011.

Your Committee further finds that on August 29, 2012, pursuant to Senate Rule 20, the Senate President appointed a Senate Special Committee on Accountability (Special Committee) to conduct informational briefings to review the oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System.

During the informational briefings, the Special Committee focused on, among other things, the oversight and transparency of the University's fiscal and operational administration, including the role of the Board of Regents. The informational briefings reaffirmed the importance of granting the Governor the authority to select and appoint Regents on the basis of how each Regent's individual strengths will add to and complement the overall quality of the Board of Regents. It has become clear that the Governor will not be able to adequately select nominees to the Board of Regents unless the Governor has more control and involvement in the recruitment and selection process.

As such, the form and function of the Candidate Advisory Council needs to be reconstituted to increase the Governor's ability to appoint qualified individuals to serve as Regents and effectively lead the University of Hawaii System.

Lastly, your Committee notes that this measure temporarily places the Candidate Advisory Council within the Office of the Governor but does not specify how long it is to remain there. As this measure moves forward, consideration should be given to providing a specified time limit for which the Candidate Advisory Council shall remain in the Office of the Governor. In addition, the possibility of permanently placing the Candidate Advisory Council within the University of Hawaii should be examined.

Your Committee has amended this measure by:

- (1) Removing language in the purpose section relating to the Special Committee;
- (2) Increasing the membership of the Candidate Advisory Council from five to seven members and making conforming amendments;
- (3) Requiring that one member of the Candidate Advisory Council be a student who has been enrolled in the University of Hawaii System as a full-time student for at least three consecutive semesters;
- (4) Adding language to encourage the Governor to appoint members of the University's faculty and staff to the Candidate Advisory Council; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 563, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 563, 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. 415 Higher Education on S.B. No. 624**

The purpose and intent of this measure is to specify that no more than ten percent of the monies deposited in the University of Hawaii tuition and fees special fund shall be expended on administrative costs of the University and that at least ninety percent of the monies shall be expended on student education programs.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the University of Hawaii.

Your Committee finds that the majority of tuition and fees collected by the University of Hawaii should benefit the students at their individual campuses.

Your Committee has amended this measure by:

- (1) Removing the requirement that no more than ten percent of the monies deposited in the University of Hawaii tuition and fees special fund be expended on administrative costs and at least ninety percent of the monies be expended on student education programs, and making conforming amendments; and
- (2) Inserting language prohibiting the expenditure of monies in the University of Hawaii tuition and fees special fund on administrative salaries at the University.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 624, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 416 Higher Education on S.B. No. 967**

The purpose and intent of this measure is to require the Board of Regents of the University of Hawaii (Board of Regents) to submit to the Legislature for approval salary proposals that are equal to, or in excess of, two times the Governor's salary.

Your Committee received testimony in opposition to this measure from the University of Hawaii System.

Your Committee finds that the prudent use of public funds is a matter of statewide concern. In addition, there is concern about the number of employees within the University of Hawaii System whose salaries are in excess of that of the Governor. According to the University, thirty-three employees currently fall under this category.

Your Committee recognizes the concerns raised by the University of Hawaii System that requiring approval from the Legislature for a specific candidate may hurt the University's ability to be competitive in its hiring.

Your Committee has amended this measure by:

- (1) Amending language to require legislative approval for a salary range, rather than a specific salary, proposed by the Board of Regents that is equal to or in excess of twice that of the Governor, and making conforming amendments;
- (2) Inserting language to require legislative approval prior to recruitment for any position for which the Board of Regents wishes to prescribe a certain salary range that is equal to or in excess of twice that of the Governor;
- (3) Removing language that required certain information to be provided in the concurrent resolution for each applicant;
- (4) Removing the requirement that the Board of Regents receive approval by at a least two-thirds majority vote of both houses of the Legislature; 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 967, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 967, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 7; Ayes with Reservations (Tokuda). Noes, none. Excused, none.

**SCRep. 417 Higher Education on S.B. No. 606**

The purpose and intent of this measure is to appropriate funds to the University of Hawaii to pay student employee salaries at new or expanded worksites on each campus and for three full-time equivalent support staff for the Vice Chancellor for Students at the University of Hawaii at Manoa.

Your Committee received testimony in support of this measure from the University of Hawaii System, University of Hawaii at Manoa, and seven individuals.

Your Committee finds that the hiring of students at the various campuses within the University of Hawaii System is beneficial to the University and the students. In addition, many students depend on part-time work while enrolled in school.

While your Committee supports the creation of more jobs for students, it is concerned as to whether the University of Hawaii will be able to sustain the increase in student employment if the minimum wage is increased.

Your Committee has amended this measure by:

- (1) Deleting the specific number of full-time equivalent support staff for the Vice Chancellor for Students at the University of Hawaii at Manoa to be funded by 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 606, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Kidani). Noes, none. Excused, 2 (Ige, Slom).

**SCRep. 418 Higher Education on S.B. No. 490**

The purpose and intent of this measure is to require:

- (1) The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and State Board of Nursing to collaborate with the Center for Nursing to enable the Center to obtain nursing-related data;
- (2) The Professional and Vocational Licensing Division to provide the Center for Nursing with various types of information through a memorandum of understanding; and
- (3) The completion of a survey developed by the Center for Nursing as part of the licensure renewal requirements of chapter 457, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the School of Nursing and Dental Hygiene at the University of Hawaii at Manoa, Hawai'i State Center for Nursing, St. Francis Healthcare System of Hawaii, Blood Bank of Hawaii, American Organization of Nurse Executives Hawaii Chapter, Hawai'i Pacific Health, and eighteen individuals. Your Committee received testimony in opposition to this measure from four individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that effective workforce planning and policy making require better data collection and an improved information infrastructure. The Center for Nursing's surveys related to nursing programs, registered nurses, and licensed practical nurses are a valuable way to collect nursing-related data.

Your Committee understands the concerns raised in the testimony but believes that this measure deserves further consideration. In addition, your Committee would like to allow the Board of Nursing the opportunity to review and address this measure at the Board's next public meeting, as it has not yet had a chance to collectively do so.

As such, 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 Higher Education 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 pass Second Reading in the form attached hereto as S.B. No. 490, 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 (Kidani). Noes, none. Excused, 2 (Ige, Slom).

**SCRep. 419 (Joint) Agriculture and Education on S.B. No. 564**

The purpose and intent of this measure is to:

- (1) Establish a farm-to-school program in the Department of Agriculture; and
- (2) Establish a task force within the Department of Agriculture to examine the feasibility of establishing school gardens and creating a Hawaii-grown fresh fruit and vegetable program and to advise the Department of Agriculture in the creation and implementation of the farm-to-school program.

Your Committees received testimony in support of this measure from the Hawaii Academy of Arts and Science, Kohala Center, Hawaii Association of Independent Schools, Kauai School Garden Network, Hui O Malama Aina, Hawaii Farm Bureau Federation, Hawaii Organic Farming Association, and two individuals. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that a statewide agricultural strategic plan for a farm-to-school program will improve student engagement in agriculture and food sustainability. After discussion, however, your Committees concluded that a working group is needed to evaluate how locally-grown produce can be utilized by all state agencies, not just the Department of Education.

Accordingly, your Committees have amended this measure by deleting its contents and inserting language to:

- (1) Establish a locally-grown produce working group until June 30, 2015, within the Department of Agriculture to develop the parameters of and implement a demonstration model in which a state facility utilizes locally-grown produce for consumption and to advise the Department of Agriculture on the feasibility of implementing the demonstration model at other state facilities; and
- (2) Make an appropriation to the Department of Agriculture to develop and implement the working group's demonstration model to utilize locally-grown produce at a state facility.

As affirmed by the records of votes of the members of your Committees on Agriculture and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 564, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 564, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Thielen, Wakai, Slom).

Education

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

**SCRep. 420 (Majority) Health on S.B. No. 492**

The purpose and intent of this measure is to:

- (1) Impose an excise tax equal to \$3.20 per net ounce of tobacco of each article or item of tobacco products, other than large cigars; and
- (2) Require the additional monies collected under the excise tax to be deposited to the credit of the Hawaii cancer research special fund.

Your Committee received testimony in support of this measure from the Cancer Action Network and nine individuals. 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.

Your Committee finds that increases in cigarette taxes induce smokers to quit or find cheaper means to continue using tobacco. Taxes on cigarettes are intended to encourage smokers to quit which means lower costs in tobacco-related medical expenses.

Your Committee believes that this measure as written may not address the growing number of roll-your-own tobacco shops, which advertise the sale of cigarettes at lower prices than for traditional cigarettes. These roll-you-own cigarette shops effectively circumvent the cigarette tax by selling loose tobacco, which is taxed at a lower rate, then allowing customers to make their own cigarettes.

Your Committee has amended this measure by:

- (1) Deleting the provision imposing an excise tax equal to \$3.20 per net ounce of tobacco;
- (2) Inserting language to impose an excise tax equal to one hundred two percent of the wholesale price of any tobacco product, other than large cigars, sold by a wholesaler or dealer on and after January 1, 2014, whether or not sold at wholesale, or if not

sold then at the same rate upon the use by the wholesaler or dealer and allocating the entire amount received to the Hawaii cancer research 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 492, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 492, 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. 421 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 1085**

The purpose and intent of this measure is to discourage excessive consumption of sugar-sweetened beverages and prevent obesity by:

- (1) Imposing a fee on sugar-sweetened beverages sold in the State; and
- (2) Establishing the obesity prevention special fund to support obesity prevention programs.

Your Committees received testimony in support of this measure from the Governor; Department of Public Safety; Department of Human Resources Development; Department of Education; City Council, City and County of Honolulu; College of Health Sciences and Social Welfare, University of Hawaii at Manoa; Child and Family Service; Hawaii Association of Independent Schools; Pioneering Healthier Communities Leadership Team; and nine individuals. Your Committees received testimony in opposition to this measure from the American Beverage Association; Hawaii Food Industry Association; Ito En (USA) Inc.; International Longshore and Warehouse Union, Local 142; and five individuals.

Your Committees find that childhood obesity increased by thirty-eight percent in Hawaii between 1999 and 2009, while adult obesity more than doubled between 1996 and 2011. Obesity-related medical expenditures in Hawaii were calculated to be over \$470,000 in 2009 and are continuing to increase. Sugar-sweetened beverages have been identified by many scientific studies as a major contributor to the costly obesity epidemic.

Your Committees find that a fee on sugar-sweetened beverages will have beneficial fiscal and health impacts. Economic disincentives are among the most effective tools to change behavior, as tobacco taxes have demonstrated. This measure is an initial step to decrease obesity-related health problems, including diabetes, heart disease, sleep apnea, and orthopedic issues.

Your Committees have amended this measure by:

- (1) Amending the definition of "sugar-sweetened beverage" to include soy milk and rice milk;
- (2) Renaming the obesity prevention special fund as the obesity and chronic disease prevention special fund and making conforming amendments;
- (3) Designating non-school hour programs that support opportunities for physical activity and nutritional education as one of the authorized uses of monies from the obesity and chronic disease prevention special fund;
- (4) Designating \$250,000 per year of monies in the obesity and chronic disease prevention special fund to be allocated to each federally qualified community health center for preventative clinical services directly related to obesity-related chronic disease;
- (5) Inserting language from S.B. No. 1145 (Regular Session of 2013), to establish the Hawaii Interagency Obesity Prevention Council to address child and adult obesity in Hawaii;
- (6) Inserting an appropriation from the obesity and chronic disease prevention special fund to the department of health to support child and adult obesity and chronic disease prevention programs; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1085, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1085, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4; Ayes with Reservations (Nishihara). Noes, 1 (Slom). Excused, none.

Judiciary and Labor

Ayes, 3. Noes, 1 (Gabbard). Excused, 1 (Slom).

**SCRep. 422 (Joint) Technology and the Arts and Water and Land on S.B. No. 1317**

The purpose and intent of this measure is to:

- (1) Make an appropriation for the planning, design, and construction of the Nisei Veterans Legacy Center and Honouliuli Internment Camp Educational Center, subject to the matching of state funds; and
- (2) Allow the value of in-kind donations to be calculated in the matching amount, subject to verification by the Director of Finance.



Your Committees received testimony in support of this measure from the University of Hawaii West Oahu, Hawaii Civil Rights Commission, Japanese Cultural Center of Hawaii, Japanese American Citizens League, Japan-America Society of Hawaii, and numerous individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that a Nisei Veterans Legacy Center would preserve, perpetuate, and share the legacy of the Americans of Japanese ancestry who served in the United States Armed Forces in World War II. The establishment of a Nisei Veterans Legacy Center would create a facility dedicated to researching, interpreting, and preserving the history of the Nisei veterans to develop a deeper understanding of these soldiers who fought valiantly against the Axis powers while having to combat racial prejudice and discrimination at home. Locating a Nisei Veterans Legacy Center in West Oahu would complement academic and research programs offered at the University of Hawaii, such as the Center for Labor Education and Research's Archives and the Henry Giugni film collection.

Your Committees further find that the Honouliuli Internment Camp is a major historical site located on property currently owned by Monsanto in West Oahu. The United States National Park Service, Japanese Cultural Center of Hawaii, University of Hawaii – West Oahu, the State of Hawaii, Monsanto, and other stakeholders are working to preserve and share the existing remnants of the internment camp through a planned educational center and memorial. In 2012, the Legislature established a Honouliuli advisory group to develop recommendations to help develop this site with government and private resources, and the group continues to meet.

Your Committees have amended this measure by:

- (1) Deleting the specific appropriation amount and leaving the appropriation amounts blank;
- (2) Deleting the general appropriation language and creating two separate appropriations for fiscal years 2013-2014 and 2014-2015: one appropriation for the Nisei Veterans Legacy Center and one appropriation for the Honouliuli Park Site Project;
- (3) Requiring that the Advisory Group created by Act 235, Session Laws of Hawaii 2012, report to the legislature no later than twenty days prior to the convening of the Regular Session of 2014 on the status of the Honouliuli Park Site Project, including funding;
- (4) Requiring that the Department of Land and Natural Resources report to the legislature no later than twenty days prior to the convening of the Regular Session of 2014 on the status of the Nisei Veterans Legacy Center, including funding; 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 Technology and the Arts and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1317, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1317, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

Water and Land  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 423 (Joint) Higher Education and Judiciary and Labor on S.B. No. 1384**

The purpose and intent of this measure is to:

- (1) Limit the Board of Regents of the University of Hawaii (Board) to appointing one General Counsel;
- (2) Require the Board to have direct oversight over the General Counsel and prohibit the Board from delegating this responsibility to the University of Hawaii President;
- (3) Require the General Counsel to report directly to the Board;
- (4) Allow the Board to contract with independent attorneys only where the General Counsel and Attorney General each acknowledge a lack of sufficient expertise; and
- (5) Require contracted attorneys to consult with and work in conjunction with the Attorney General.

Your Committees received testimony in opposition to this measure from the Board of Regents and University of Hawai'i System. Your Committees received comments on this measure from the University of Hawaii Professional Assembly.

Your Committees find that concerns have been raised about the amount of money that the University of Hawaii has spent on contracts with outside legal counsel. Your Committees find that outside counsel should be reserved for cases where the General Counsel and the Attorney General lack the expertise necessary to represent the University of Hawaii.

As this measure moves forward, your Committees request your Committee on Ways and Means to consider:

- (1) Removing all line items in the University of Hawaii budget for attorneys within the Office of the General Counsel, except for the General Counsel position; and
- (2) Transferring any attorneys currently serving within the Office of the General Counsel to the Department of the Attorney General on the effective date of this measure.

In considering the transfer of any attorney currently serving within the Office of General Counsel to the Department of the Attorney General, your Committees clarify that this transfer is not intended to be a lateral transfer of the employee but rather a transfer of responsibilities of the attorneys within the Office of the General Counsel to the Department of the Attorney General.

Your Committees also note that the General Counsel oversees seven attorneys and is paid an annual salary of \$235,248. In comparison, the Attorney General, who oversees approximately 185 attorneys within the Department of the Attorney General, is paid an annual salary of \$120,442.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the Board is authorized to fix the compensation of the one attorney serving as General Counsel at a salary not exceeding the salary of the Attorney General;
- (2) Inserting an effective date of 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 Higher 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. 1384, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1384, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Tokuda).

Judiciary and Labor

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 424 (Joint) Tourism and Hawaiian Affairs and Judiciary and Labor on S.B. No. 10**

The purpose and intent of this measure is to allow the Hawaiian Homes Commission and the Department of Hawaiian Home Lands to retain independent legal counsel.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands; West Hawaii Hawaiian Homes Commission; Council for Native Hawaiian Advancement; and three individuals. Your Committees received testimony in opposition to this measure from the Department of the Attorney General.

Your Committees find that there are circumstances where the interests of the State and the Department of Hawaiian Home Lands may be adversarial and that it is vital and necessary to the Hawaiian Homes Commissions' fiduciary duties to retain independent counsel.

After discussion, your Committees have amended this measure by:

- (1) Inserting language to clarify that independent counsel may be hired to represent the Hawaiian Homes Commission or the Department of Hawaiian Home Lands when their interests conflict with the State;
- (2) Inserting language to specify that funds paid to legal counsel representing the Hawaiian Homes Commission and the Department of Hawaiian Home Lands come from the State; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 10, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 10, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Kidani, Slom).

Judiciary and Labor

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

**SCRep. 425 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.B. No. 1285**

The purpose and intent of this measure is to:

- (1) Grant immunity to state and county agencies and employees from liability for injury or damage to persons or property arising out of hazardous recreational activities; and
- (2) Specify the recreational activities giving rise to injury or damages from which private landowners are granted limited liability under current law.

Your Committees received testimony in support of this measure from the Department of the Attorney General; Department of Land and Natural Resources; City and County of Honolulu, Department of the Corporation Counsel; City and County Of Honolulu,

Department of Parks and Recreation; Access Fund, and numerous individuals. Your Committees received testimony in opposition to this measure from Hawaii Association for Justice.

Your Committees find that due to Hawaii's thriving tourist industry and its abundant opportunities for recreation, hazardous recreational activities impose a significant liability concern to the counties and State. This measure limits the State's unfettered liability for injuries and accidents that it cannot control or prevent and relies on those engaging in these activities to exercise personal responsibility and to assume the risk of what they know to be an inherently dangerous activity. Your Committees further find that this measure does not absolve the State or counties of any and all liability regardless of any actions by the State or the counties or its employees. The State and counties will remain liable for injury or damages caused by their own negligent, reckless, or grossly negligent acts.

Your Committees heard testimony from the Access Fund, a national advocacy organization that keeps rock climbing areas open and conserves the climbing environment. According to the Access Fund, the insurance for rock climbing sites like Mokuleia could cost between \$2,000 to \$5,000. The Access Fund suggested that the State could provide this insurance by entering into a management agreement with the Access Fund who would provide a grant to the State; by procuring an insurance policy itself to cover only specific rock climbing areas; or by instituting an annual fee for individuals who wish to pursue hazardous recreational activities that will cover the State's insurance expenses.

Your Committees have amended this measure by:

- (1) Inserting an effective date of July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1285, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1285, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 426 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1182**

The purpose and intent of this measure is to update the Hawaii Revised Statutes to permit law enforcement officers and other persons authorized by the courts to serve legal process.

Your Committee received testimony in support of this measure from the Department of Public Safety. Your Committee received testimony in opposition to this measure from the Judiciary.

Your Committee finds that process servers play an important role in facilitating a timely judicial process and protecting public safety. By permitting more individuals who are duly authorized and qualified to serve legal process, this measure will improve efficiency and timeliness of the process. However, your Committee also finds that the duties of process servers need more clarification by the Department of Public Safety.

Your Committee has amended this measure by:

- (1) Establishing a working group to define and delineate the duties and responsibilities of process servers under the jurisdiction of the Department of Public Safety; create a process to obtain certification for the Sheriff Division from the Commission on Accreditation for Law Enforcement Agencies, Inc., to ensure that proper law enforcement policies and procedures are enacted and followed; create a process of registration for process servicers in the State; and address other issues deemed relevant by the working group or by the Department of Public Safety;
- (2) Deleting references to "other person authorized by the court" from those persons permitted to serve process; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1182, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1182, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 427 Public Safety, Intergovernmental and Military Affairs on S.B. No. 213**

The purpose and intent of this measure is to:

- (1) Reconfigure the membership of the State Building Code Council by eliminating members from the Department of Health and Department of Labor and Industrial Relations and adding members from the Building Industry Association of Hawaii, General Contractors Association, Hawaii Construction Alliance, and Subcontractors' Association of Hawaii;
- (2) Change the requirements for a quorum from six to seven; and

(3) Eliminate the Council's obligation to consult with private sector representatives regarding construction practices and training.

Your Committee received testimony in support of this measure from the State Fire Council; Kauai Fire Department; Department of Fire and Public Safety, County of Maui; Building Industry Association; Associated Builders and Contractors, Inc.; American Institute of Architects; American Council of Engineering Companies of Hawaii; International Code Council; General Contractors Association of Hawaii; and The Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Department of Defense; Structural Engineers Association of Hawaii; Local Union No. 126, International Union of Elevator Constructors; and the Ironworkers Stabilization Fund. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and Department of Labor and Industrial Relations.

Your Committee finds that Act 82, Session Laws of Hawaii 2007, established the adoption of a uniform set of statewide building codes to apply consistent standards and the State Building Code Council. However, unlike more than half of the states that have a building code council, Hawaii's building code council does not have any representatives from the construction industry and building trades. This measure reconfigures the membership of the State Building Code Council to increase construction industry and building trade representation.

Your Committee has amended this measure by:

- (1) Adding to the State Building Code Council one representative each from the Department of Business, Economic Development, and Tourism; Department of Accounting and General Services; Hawaii Building and Construction Trades Council; and American Council of Engineering Companies;
- (2) Making an appropriation to support the work of the State Building Code 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 213, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 213, 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 (Galuteria, Slom).

#### **SCRep. 428 Economic Development, Government Operations and Housing on S.B. No. 718**

The purpose and intent of this measure is to establish an infrastructure program within the Hawaii Housing Finance and Development Corporation to make grants and provide assistance to municipalities for infrastructure projects on public land.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which deletes the contents of the measure and inserts language to:

- (1) Make an appropriation to the Hawaii Strategic Development Corporation to implement a HI Growth Initiative to establish an innovation ecosystem that supports high-growth businesses and creates jobs; and
- (2) Authorize the Department of Business, Economic Development, and Tourism to develop, enter into, and implement inter-agency working agreements with its attached state entities without entering into a memorandum of understanding or memorandum of agreement.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; University of Hawaii; High Technology Development Corporation; Nalukai Foundation; Hawaii Food Industry Association; Hawaii Venture Capital Association; The Chamber of Commerce of Hawaii; the AKAMA Foundation; AKAMA Capital, LLC; Hawaii Innovation Alliance; StartupHui, LLC; People Bridge, Inc.; Phakeakai, LLC; TruTag Technologies, Inc.; Hawaii's Angels; Blue Startups; Sakai Ventures; Enterprise Honolulu, Oahu Economic Development Board; Creative Market Labs, Inc.; Hyperspective Studios, Inc; Academy for Creative Media; Kinetiq Labs; Startup Hawaii; Hawaii Fashion Incubator; HiBEAM; and fourteen individuals.

Your Committee finds that if Hawaii is to remain competitive in the global economy, it is necessary to reinvigorate state efforts to fuel an innovation economy. This measure will accomplish that goal by enabling the Hawaii Strategic Development Corporation to implement the HI Growth Initiative, an investment program that will enable entrepreneurs to build businesses and create jobs in Hawaii.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by:

- (1) Deleting part II of the proposed S.D. 1, which would have permitted the Department of Business, Economic Development, and Tourism to enter into working agreements with its attached state entities without entering into a memorandum of understanding or memorandum of 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 Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 718, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 718, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, English).

**SCRep. 429 Economic Development, Government Operations and Housing on S.B. No. 1002**

The purpose and intent of this measure is to make housekeeping amendments to delete references to the Kapolei Recreational Sports Complex from the Stadium Authority's statutory purview.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and Stadium Authority.

Your Committee finds that under existing law, the Stadium Authority is responsible for the maintenance, operation, management, and promotion of the Kapolei Recreational Sports Complex. However, in October 2006, the property on which the Kapolei Recreational Sports Complex was originally planned to be built was transferred to the Department of Hawaiian Home Lands. Subsequently, the Department negotiated a lease with a development firm to construct a mixed use regional shopping center that is scheduled to break ground in 2013. This measure deletes statutory requirements for the Stadium Authority to submit an annual special fund report and its responsibilities relating to the Kapolei Recreational Sports Complex, as these requirements are obsolete.

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

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1002, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, English).

**SCRep. 430 (Joint) Tourism and Hawaiian Affairs and Technology and the Arts on S.B. No. 235**

The purpose and intent of this measure is to:

- (1) Add a member to the King Kamehameha Celebration Commission to represent the Daughters of Hawaii;
- (2) Change the representation of the appointed, non-organization representatives on the King Kamehameha Celebration Commission from residents of the islands of Kauai, Maui, Molokai, and Hawaii to residents of the counties of Kauai, Maui, and Hawaii;
- (3) Repeal the King Kamehameha Celebration Commission's authority to appoint an arts program specialist and instead authorize the Commission to appoint an executive director; and
- (4) Require the executive director's and clerk typist's salaries to be provided, in part, by the State.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, King Kamehameha Celebration Commission, Royal Order of Kamehameha, Association of Hawaiian Civic Clubs, Hawaiian Affairs Caucus of the Democratic Party, Kalaimoku Group, Malama Lio Hawaii 'Ahahui Po'o, Hale O Na Ali'i O Hawai'i 'Ahahui Po'o, Makaha Hawaiian Civic Club, and five individuals.

The King Kamehameha Celebration honors the legacy of King Kamehameha and the culture of the Native Hawaiians. Your Committee finds that the King Kamehameha Celebration is a signature event that is attended by thousands of residents and visitors across the islands. The changes proposed by this measure will enhance the management, effectiveness, and stability of the King Kamehameha Celebration Commission and will assist the members in fulfilling their fiduciary duties.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 235 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.

Tourism and Hawaiian Affairs

Ayes, 7. Noes, none. Excused, 1 (Slom).

Technology and the Arts

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

**SCRep. 431 Tourism and Hawaiian Affairs on S.B. No. 403**

The purpose and intent of this measure is to:

- (1) Authorize the Office of Hawaiian Affairs to issue revenue bonds to fund loan programs;
- (2) Broaden the definition of construction to encompass the acquisition, purchase, reconstruction, improvement, betterment, or extension of a project; and
- (3) Authorize the Office of Hawaiian Affairs to issue refund bonds without further authorization by the Legislature.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Oahu Council Association of Hawaiian Civic Clubs, and one individual. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that this measure will provide the Office of Hawaiian Affairs with the flexibility to issue bonds, refund bonds, and provide loans in the same way that other state agencies are able to do so pursuant to chapter 39, Hawaii Revised Statutes.

This measure will provide the Office of Hawaiian Affairs with additional funding opportunities to pursue new types of projects, such as the development of its Kakaako properties.

Your Committee has amended this measure by:

- (1) Exempting the property and revenue from any loan program operated by the Office of Hawaiian Affairs from state, county, and municipal taxes and assessments;
- (2) Providing for the federal tax-exempt status of interest on revenue bonds issued by the Office of Hawaiian Affairs;
- (3) Replacing the word “nongovernmental” with the word “private” in the definitions of “loan program” and “office project” or “project” under section 10-21, Hawaii Revised Statutes, to clarify that nongovernmental individuals or organizations means private individuals or organizations; 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 Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 403, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 403, 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 (Kidani, Solomon). Noes, none. Excused, 3 (Hee, Kahele, Slom).

**SCRep. 432 (Joint) Tourism and Hawaiian Affairs and Judiciary and Labor on S.B. No. 406**

The purpose and intent of this measure is to require certain state councils, boards, and commissions administering resources and programs that directly impact native Hawaiian rights and resources to complete a training course in native Hawaiian and Hawaiian rights.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Department of Hawaiian Home Lands; West Hawaii Hawaiian Homes Commission; Association of Hawaiian Civic Clubs; Koolau Foundation; Community Alliance of Prisons; and one individual. Your Committees received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies.

Your Committees find that it is imperative that members of councils, boards, and commissions that administer programs and resources that affect native Hawaiians and Hawaiians are cognizant of the members’ fiduciary duties with respect to protecting and preserving native Hawaiian and Hawaiian resources and rights. Your Committees conclude, however, that members of councils, boards, and commissions that administer those programs, rather than the Office of Hawaiian Affairs, are primarily responsible for being adequately trained and knowledgeable in the protection and preservation of native Hawaiian and Hawaiian resources and rights.

Accordingly, your Committees have amended this measure by:

- (1) Requiring the members of councils, boards, and commissions that administer programs and resources that affect native Hawaiians and Hawaiian resources and rights to contract with the Office of Hawaiian Affairs, or a third party approved by the Office of Hawaiian Affairs, to administer the training program;
- (2) Authorizing the Office of Hawaiian Affairs, or the approved third party, to provide notification that the training course is mandatory and to charge fees to training course attendees to reimburse the Office of Hawaiian Affairs for costs expended to develop and administer the course;
- (3) Deleting the requirement that the training course be conducted at least twice per calendar year;
- (4) Requiring new members of councils, boards, and commissions to complete a training course within one year, as opposed to six months of their official appointment date;
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 406, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 406, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Kahele, Slom).

Judiciary and Labor

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

**SCRep. 433 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 1349**

The purpose and intent of this measure is to re-establish the income tax credit for qualified research activities conducted in the State that was codified as section 235-110.91, Hawaii Revised Statutes, and that sunset on December 31, 2010. The measure also includes a reporting mechanism to measure the effectiveness of the tax credit.

Your Committees received testimony in support of this measure from Pukoa Scientific; Oceanit Laboratories, Inc.; Navatek, Ltd.; Makai Ocean Engineering, Inc.; and one individual. Your Committees received comments on this measure from the Department of Taxation; Hawaii Strategic Development Corporation; High Technology Development Corporation; and the Tax Foundation of Hawaii.

Your Committees received testimony that the qualified research activities tax credit is important to the success of local research and high technology companies as it allowed these companies to remain competitive with mainland companies. The tax credit also fostered job growth and encouraged the purchase of goods and services in Hawaii. Re-enacting the tax credit will allow local companies to remain competitive and create more high technology jobs in Hawaii.

Your Committees have amended this measure by:

- (1) Clarifying that Internal Revenue Code sections 41 and 208C are operative for purposes of the re-enacted tax credit section;
- (2) Deleting the definition of “basic research”;
- (3) Amending the definition of a “qualified high technology business”;
- (4) Amending the definition of “qualified research”;
- (5) Adding a definition for “qualified research expenses”;
- (6) Adding additional information that shall be included in the annual survey;
- (7) Requiring the Department of Business, Economic Development, and Tourism, instead of the Director of Taxation, to conduct a survey of electronic forms and study users of the tax credit and report the results to the Legislature; and
- (8) Re-establishing the qualified research activities tax credit through December 31, 2017, rather than December 31, 2015.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1349, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1349, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 434 (Majority) Economic Development, Government Operations and Housing on S.B. No. 215**

The purpose and intent of this measure is to encourage businesses to expand or locate their operations in Hawaii by establishing a growing economy tax credit.

Prior to the hearing on this measure, your Committee posted and made available for public review a proposed S.D. 1, which deletes the contents of the measure and inserts language to establish the Public-Private Partnership Authority within the Department of Business, Economic Development, and Tourism. The Public-Private Partnership Authority is intended to administer, coordinate, and provide leadership for the financing, improvement, or enhancement of appropriate state-owned facilities, operations, and property. The proposed S.D. 1 also establishes two pilot projects and makes an unspecified appropriation for the Public-Private Partnership Authority.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Department of Education; Office of the Mayor - County of Maui; Indigenous Consultants, LLC; Innovations Development Group Hawaii; The Pacific Resource Partnership; Hawaii Building & Construction Trades Council, AFL-CIO; Windward Ahupua'a Alliance and two individuals. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance and one individual. Your Committee received comments on this measure from the City and County of Honolulu, Department of Planning and Permitting; Sierra Club; and The Chamber of Commerce of Hawaii.

Your Committee finds that careful coordination and cooperation between state agencies and private sector entities is required to create successful public-private partnerships. The Public-Private Partnership Authority is a vehicle to ensure such coordination and cooperation. The Public-Private Partnership Authority is not intended to develop properties but to facilitate coordination between state agencies and private entities in an efficient manner that still ensures that the State's resources are properly maintained.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by:

- (1) Clarifying that the Public-Private Partnership Authority is intended to facilitate cooperation among state agencies and the public sector, not develop properties;
- (2) Removing an exclusion for state parks under the definition of a project, and including not-for-profit organizations under the definition of a qualified person;
- (3) Revising the structure and composition of the Public-Private Partnership Authority's Board of Directors by providing that one member shall be the Ahu Moku Advisory Committee member from the moku of any Public-Private Partnership Authority project in order to ensure that the Board has a member with experience and knowledge of native Hawaiian resource management practices;

- (4) Removing the Public-Private Partnership Authority's authority to grant options to purchase any project or renew any lease entered into in connection with any project;
- (5) Allowing the counties to waive zoning ordinances by ordinance or memorandum of agreement for a project prior to project construction;
- (6) Addressing any concerns about the Public-Private Partnership Authority's ability to transfer or develop public land by clarifying and more explicitly stating that the Public-Private Partnership Authority shall comply with all state laws;
- (7) Removing provisions relating to the establishment of a school facilities special fund;
- (8) Changing the location of the film production facility pilot project to be initiated from Kapolei to the most populous island of a county with a population between 100,000 and 150,000;
- (9) Allowing the establishment of pilot projects, in addition to the film production facility and main-street project, for educational purposes or to stimulate economic development and job creation;
- (10) Removing language specifying that certain state agencies and a branch of government would participate in the pilot projects; 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, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 215, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 215, 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, 2 (Thielen, Slom). Excused, 2 (Chun Oakland, English).

**SCRep. 435 (Joint/Majority) Economic Development, Government Operations and Housing and Water and Land on S.B. No. 751**

The purpose and intent of this measure is to establish an Urban Growth Commission within the Land Use Commission to set standards necessary to mitigate the adverse impact of development on communities within urban growth boundaries.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and one individual. Your Committees received testimony in opposition to this measure from the City and County of Honolulu, Department of Planning and Permitting.

Your Committees find that there is a need to establish, at the state level, uniform standards for the proper management of urban growth. This measure will ensure that any adverse impacts of development within urban areas are limited to the greatest extent possible.

Your Committees have amended this measure by changing the agency that the Urban Growth Commission is placed in for administrative purposes to the Office of Planning.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 751, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 751, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 4; Ayes with Reservations (Baker). Noes, 1 (Thielen). Excused, 2 (Chun Oakland, Wakai).

Water and Land

Ayes, 4; Ayes with Reservations (Shimabukuro). Noes, 3 (Ihara, Ruderman, Thielen). Excused, none.

**SCRep. 436 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 750**

The purpose and intent of this measure is to stimulate further growth in the media industry in Hawaii by creating a tax credit for the development of qualified media infrastructure projects.

Your Committees received testimony in support of this measure from the Mayor of the County of Maui; NBC Universal Media, LLC; SHM Partners/Film Studio Group; and Island Film Group. Your Committees received testimony in opposition to this measure from the Tax Foundation of Hawaii and two individuals. Your Committees received comments on this measure from the Department of Taxation.

Your Committees received testimony that despite ongoing efforts to develop a post production facility in Hawaii, no such facility exists. Consequently, most, if not all, post production work by studios filming in Hawaii is sent to the mainland. Your Committees received testimony that if post production facilities existed in Hawaii, post production work would remain in Hawaii, and the facilities would make Hawaii a more attractive location for studios to film.

Your Committees are concerned, however, that the State has already made significant efforts and expended considerable resources to attract and support film studios. Your Committees are also concerned that a studio may begin a digital media infrastructure project,



obtain tax credits for the project, but fail to complete the project. Your Committees believe that the measure requires a means to recoup some of the tax credit to discourage this practice.

Your Committees have amended this measure by:

- (1) Deleting the purpose section;
- (2) Deleting all references to film production tax credits;
- (3) Changing the location requirement for qualified media infrastructure projects from projects in any county of the State to projects in West Oahu or on the most populous island in a county with a population between 100,000 and 175,000;
- (4) Inserting language providing for the recapture of digital media infrastructure tax credits taken by a taxpayer in the event that the taxpayer begins but fails to complete a digital media infrastructure; 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 Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 750, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 750, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 437 (Joint/Majority) Economic Development, Government Operations and Housing and Energy and Environment and Commerce and Consumer Protection on S.B. No. 1087**

The purpose and intent of this measure is to establish a regulatory financing structure that authorizes the Public Utilities Commission and the Department of Business, Economic Development, and Tourism to provide low-cost loans for green infrastructure equipment to achieve measureable cost savings and achieve Hawaii's clean energy goals.

Your Committees received testimony in support of this measure from the Governor; Department of Budget and Finance; Department of Commerce and Consumer Affairs Division of Consumer Advocacy; Public Utilities Commission; Department of Business, Economic Development, and Tourism (DBEDT); Hawaii Regional Council of Carpenters; The Pacific Resource Partnership; Environmental Defense Fund; Blue Planet Foundation; Ulupono Initiative; Hawaii Electric Company; and Sierra Club Hawai'i Chapter. Your Committees received testimony in opposition to this measure from the State Procurement Office.

Your Committees find that significant investment must be made to achieve the State's goals of energy self-sufficiency, greater energy security and diversification, and to support the achievement of the Renewable Standards and Energy Portfolio Standards.

Your Committees further find that up-front costs of green infrastructure equipment are a barrier preventing many electric utility customers from investing in these infrastructures. This measure will establish a means of acquiring and providing alternative low-cost financing to enable the installation of green infrastructure equipment.

Your Committees have amended this measure by:

- (1) Amending various definitions to add clarity and to further articulate implementation of this measure;
- (2) Adding language to further define the functions, powers, and duties of the Hawaii Green Infrastructure Authority;
- (3) Adding language to clarify the types of funds that may be deposited into the Hawaii green infrastructure special fund and for what purposes the funds in the special fund may be used;
- (4) Adding language specifying that if monies in the Hawaii green infrastructure special fund are transferred back to an electric utility in order to credit a customer, the monies are not to be considered the revenue of the electric utility and shall not be taxable;
- (5) Adding language setting out the processes and procedures for the Hawaii green infrastructure loan program;
- (6) Adding language to require the Hawaii Green Infrastructure Authority to report to the Legislature annually;
- (7) Adding language to clarify that the green infrastructure fee shall become effective upon the issuance of the green infrastructure bonds;
- (8) Adding language to clarify the findings required for issuance of green infrastructure financing orders and information required to be included in the orders;
- (9) Adding language requiring, rather than allowing, the Public Utilities Commission to give DBEDT flexibility in establishing the terms and conditions for green infrastructure bonds;
- (10) Adding language requiring the creation of a lien on green infrastructure property with the issuance of a green infrastructure bond;
- (11) Adding language requiring the Public Utilities Commission to ensure all reasonable costs incurred by electric utilities to implement green infrastructure fees are recoverable as part of the electric utilities' revenue requirement;

- (12) Adding language clarifying when the Public Utilities Commission may reduce, impair, postpone, rescind, alter, or terminate the green infrastructure fee;
- (13) Removing language relating to the creation, perfection, and enforcement of any security interest to secure payment on green infrastructure bonds, amounts payable under any ancillary agreement, and other financing costs;
- (14) Clarifying that the green infrastructure fee and charge are exempt from county taxes and surcharges as well as various state taxes and surcharges;
- (15) Removing language relating to the validity, enforceability, attachment, perfection, priority, and exercise of remedies with respect to the transfer of green infrastructure property under a financing order, or creation of a security interest in any such property, green infrastructure fee, green infrastructure charge, or financial order;
- (16) Adding language creating the Hawaii green infrastructure bond fund into which all proceeds of green infrastructure fees and green infrastructure property will be paid, as well as specifying other fund requirements;
- (17) Clarifying that for purposes of section 39-51, Hawaii Revised Statutes, undertaking includes the financing of the Hawaii green infrastructure loan program through the issuance of green infrastructure revenue bonds;
- (18) Removing language relating to the lien and security interest in the green infrastructure fee, green infrastructure property, and green infrastructure charge and green infrastructure security interest;
- (19) Adding language requiring the Public Utilities Commission to submit an annual report to the Governor on its activities during the preceding fiscal year;
- (20) Adding language to clarify that the public benefits fee shall be used to support clean energy technology, demand response technology, and energy use reduction;
- (21) Adding language to authorize the Public Utilities Commission to create a utility-wide nonbypassable surcharge, which shall be deposited in the green infrastructure bond fund;
- (22) Adding language relating to the green infrastructure fee being included with the public benefits fee as one line item on the electric utility bill when the bill contains a public benefits fee if so provided in the financing order;
- (23) Adding language to clarify that the Public Utilities Commission shall investigate an on-bill financing program that would allow an electric utility company customer to purchase or acquire a clean energy technology, demand response technology, and energy use reduction and demand side management device;
- (24) Adding language relating to the Public Utilities Commission implementing an on-bill financing program by decision and order or by rules;
- (25) Appropriating \$100,000,000 for the issuance of Hawaii green infrastructure loans;
- (26) Appropriating \$10,000,000 for the issuance of Hawaii green infrastructure bonds; and
- (27) 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, Government Operations and Housing and 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. 1087, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1087, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, 1 (Slom). Excused, none.

Energy and Environment  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Commerce and Consumer Protection  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Galuteria, Nishihara, Solomon).

**SCRep. 438 (Joint/Majority) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 463**

The purpose and intent of this measure is to strengthen the film industry in Hawaii by:

- (1) Extending the motion picture, digital media, and film production income tax credit for an additional seven years from 2016 to 2023;
- (2) Increasing the amount of the tax credit from fifteen percent to twenty percent in a county with a population over 700,000, and from twenty percent to twenty-five percent for counties with a population of 700,000 or less; and
- (3) Removing the cap on total tax credits that may be claimed for a qualified production.

Your Committees received testimony in support of this measure from NBC Universal Media, LLC; Island Film Group; and one individual. Your Committees received testimony in opposition to this measure from the Mayor of the County of Maui.

Your Committees received testimony that the amount of film production income tax credits available to a studio is a significant factor in its decision about where to shoot a film. Your Committees received testimony that other states, even some with longstanding relationships with film studios, are increasing the amount of tax credits they make available to studios to entice them to locate or remain in those states. Your Committees received testimony that if the State fails to raise the level of tax credits it makes available to studios, the State may struggle to continue attracting studios.

Your Committees also received testimony that despite ongoing efforts to develop a post production facility in Hawaii, no such facility exists. Consequently, most, if not all, post production work by studios filming in Hawaii is sent to the mainland. Your Committees received testimony that if post production facilities existed in Hawaii, post production work would remain in Hawaii, and the facilities would make Hawaii a more attractive location for studios to film.

Your Committees are concerned, however, that the State has already made significant efforts and expended considerable resources to attract and support film studios. Your Committees are also concerned that a studio may begin a media infrastructure project, obtain tax credits for the project, but then fail to complete the project. Your Committees believe that this measure requires a means to recoup some of the tax credit to discourage this practice.

Your Committees have amended this measure by:

- (1) Revising and expanding its purpose section;
- (2) Inserting language to establish a media infrastructure project tax credit;
- (3) Creating a reporting requirement for taxpayers claiming a media infrastructure tax credit;
- (4) Creating a Hawaii Film Office special fund, with funds from application fees to be deposited into the fund and funds expended to manage infrastructure development credits and the program;
- (5) Allowing the State to recapture media infrastructure tax credits where a studio begins but fails to complete a media infrastructure project;
- (6) Changing the effective date to upon approval and applying to taxable years beginning after December 31, 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 Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 463, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 463, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

Technology and the Arts  
Ayes, 3. Noes, 1 (Sлом). Excused, 1 (Tokuda).

**SCRep. 439 (Joint) Energy and Environment and Judiciary and Labor on S.B. No. 1135**

The purpose and intent of this measure is to revise and expand the State's electronic waste and television recycling program to include a majority of electrically powered appliances and devices, excluding large appliances.

Your Committees received testimony in support of this measure from the Department of Health, County of Hawaii Department of Environmental Management, Recycle Hawaii, and two individuals. Your Committees received testimony in opposition to this measure from Toy Industry Association, Inc.; Consumer Electronics Association; Association of Home Appliance Manufacturers; Custom Electronic Design and Installation Association; Air Conditioning, Heating, and Refrigeration Institute; Hawaiian Hope; and Whirlpool Corporation. Your Committees received comments on this measure from Makita US, Inc.; Black and Decker, Inc.; Robert Bosch Tool Corporation; Techtronic Industries Company; and one individual.

Your Committees find that the State has not come close to meeting its recycling and reuse goals, and many parts of the current electronic waste and television recycling program are not working as planned. In 2012, a taskforce including manufacturers, retailers, recyclers, trade groups, and government agencies was convened to study the program and propose legislation that would correct the deficiencies of the current program and make Hawaii a leader in recycling and environmental protection. This measure is the result of that effort.

After the initial hearing on this measure, major stakeholders met to discuss ways to improve this measure to assist the State in meeting its recycling and reuse goals and make Hawaii a national leader in environmental protection. Accordingly, your Committees have amended this measure by deleting its contents and inserting language that:

- (1) Creates a new registration and reporting system, which includes a mandated recycling plan for electronic device manufacturers and representative organizations;
- (2) Sets mandatory collection and recycling goals for manufacturers of electronic devices and representative organizations, requiring the reuse or recycling of an increasing percentage of products sold in previous years;
- (3) Requires records of sales of electronic devices and amounts of recycled and reused items;
- (4) Creates reporting, record keeping, and registration requirements for collectors of recycled and reused electronic devices;
- (5) Grants the Director of Health specific authority to enforce the program; and

- (6) Creates a collaborative programmatic framework for the State to work with the counties in implementing the program.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1135, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1135, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Judiciary and Labor

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

**SCRep. 440 Energy and Environment on S.B. No. 64**

The purpose and intent of this measure is to require the Public Utilities Commission to publish contracts, including price information, for the purchase of renewable energy by energy utilities on a publicly-accessible portion of the Commission's website, with certain exceptions.

Your Committee received testimony in support of this measure from Life of the Land and nine individuals. Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; and Hawaiian Electric Company, Inc.

Your Committee finds that all Public Utilities Commission records, including power purchase contracts and related information, are already publicly accessible through its Document Management System, which is accessible via the Commission's website. The Hawaiian Electric Companies also provide price information for wind and solar photovoltaic power purchase agreements on the Document Management System.

Your Committee further finds that although an important goal of the Commission is to make the regulatory process more transparent and available to all interested parties, the Commission's Document Management System can be difficult to navigate for someone unfamiliar with the Commission's proceedings.

Your Committee additionally finds that an appropriate alternative that encourages transparency while minimizing the impact on the Commission's resources is to require the Commission's annual report to include summary information on all power purchase agreements in effect during the fiscal period of the annual report. Your Committee notes that the Commission's annual report is available on the Commission's website and is a repository for a wide range of analytical and comparative data presented in a user-friendly format.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Public Utilities Commission to include in its annual report summary information on all power purchase agreements in effect during the fiscal period of the annual report as an interim measure;
- (2) Delaying implementation of the requirement that the Public Utilities Commission publish all contracts for the purchase of nonfossil fuel generated energy by a public utility on a publicly-accessible portion of the commission's website until July 1, 2016, to give the commission time to make its Document Management System more user-friendly for the general public; and
- (3) Amending the purpose section for 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. 64, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 64, 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. 441 Commerce and Consumer Protection on S.B. No. 510**

The purpose and intent of this measure is to:

- (1) Repeal chapter 373K, Hawaii Revised Statutes; and
- (2) Clarify professional employer organization responsibilities with respect to meeting the statutory requirements of the repealed chapter 373K, Hawaii Revised Statutes, and the nexus between the registration of professional employer organizations and qualification for the state general excise tax exemption.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and ALTRES, Inc. Your Committee received testimony in opposition to this measure from Professional Administrative Co-Employers. Your Committee received comments on this measure from the Department of Taxation; Employer Services Assurance Corporation; ProService Hawaii; Hawaii Association of Professional Employer Organizations; Talent HR Solutions LLC; Hawaii Human Resources, Inc.; Dunhill Professional Staffing of Hawaii; OneSource, Inc.; and Tax Foundation of Hawaii.

Your Committee finds that chapter 373K, Hawaii Revised Statutes, was codified in 2007 to allow professional employer organizations to become eligible for the general excise tax exemption under section 237-24.75, Hawaii Revised Statutes. Chapter 373L, Hawaii Revised Statutes, was codified in 2010 to regulate the professional employer organization business by enforcing regulation and bonding requirements. Your Committee further finds that effective implementation of both chapters has been hampered

by incompatible and ambiguous language. This measure is intended to enhance implementation of the professional employer organization laws by clarifying inconsistencies between two separate but interrelated chapters of the Hawaii Revised Statutes and limit regulatory controls to those critical to maintaining the integrity of the professional employer organization industry.

Your Committee additionally finds that professional employer organizations should be effectively regulated to protect clients, employees, taxing authorities, insurers, and the professional employer organization industry. Ensuring financial responsibility and solvency is just as important in the professional employer industry as it is in banking, insurance, and other industries that aggregate client cash flow and assume fiduciary responsibility.

Your Committee is therefore encouraged by the discussions that have occurred on this measure and is pleased to note that all interested stakeholders are committed to working together to ensure consumer protection and healthy industry competition. Although your Committee heard a similar measure, S.B. No. 813, Relating to Professional Employer Organizations, a consensus was reached amongst the interested stakeholders that the current measure was the more appropriate vehicle.

Your Committee has heard the concerns about the current bond requirement under chapter 373L, Hawaii Revised Statutes. Although your Committee concludes that a scalable bonding requirement is more appropriate for this measure, your Committee disagrees with the assumption that a bond fee is a barrier to entry into the marketplace. Your Committee notes that a nationally-licensed surety only brokerage company, Alpha Surety and Insurance Brokerage, which is licensed to do business in Hawaii, has indicated to your Committee that it provides surety bonds for professional employer organizations at a cost of one to two percent of the face value of the bond. Your Committee notes that a bond of \$25,000 could therefore be obtained for as little as \$250. Your Committee has communicated this information to the interested stakeholders during discussions and finds this to be an entirely reasonable amount.

Your Committee has also heard testimony expressing concern that this measure eliminates provisions for auditing financial statements. After much discussion, your Committee concludes that language eliminating audited financial statements should remain in this measure.

Your Committee also finds that this measure will ensure that all professional employer organizations are appropriately registered with the Department of Labor and Industrial Relations and have all applicable certificates of authority from the Department of Commerce and Consumer Affairs. This measure also ensures that the general excise tax exemption offered by the Department of Taxation is only available to the professional employer organizations that have complied with all necessary requirements under chapter 373L, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Clarifying that notification to the Department of Labor and Industrial Relations shall be given within twenty-one business days of the initiation of a professional employer agreement and within twenty-one business days of the termination of an agreement;
- (2) Requiring professional employer organizations, as a condition of registering with the Department of Labor and Industrial Relations, to include a copy of the Internal Revenue Service Form W-3, Transmittal of Wage and Tax Statements, filed with the federal government, to be used to calculate total payroll for purposes of obtaining a bond;
- (3) Specifying that a copy of the Internal Revenue Service Form W-3 shall be submitted to the Department of Labor and Industrial Relations on an annual basis no later than June 30 of each year and requiring the professional employer organization to obtain a new bond under specific circumstances;
- (4) Requiring professional employer organizations to post a surety bond that is based on the previous year's certified total payroll of the professional employer organization, based on the amount reported on the Internal Revenue Service Form W-3, and determined by a sliding bond scale; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the language in this amended measure is the result of an agreement between interested parties, including the Department of Labor and Industrial Relations and the small and large professional employer organizations currently doing business 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. 510, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 510, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 442 (Joint/Majority) Water and Land and Energy and Environment on S.B. No. 1166**

The purpose and intent of this measure is to increase the conveyance tax on certain real estate transactions and to direct an additional ten percent of conveyance tax proceeds to the natural area reserve fund for watershed protection and invasive species control.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Taxation, The Trust for Public Land, Hawaii Appleseed Law and Economic Justice, Coordinating Group on Alien Pests Species, Catholic Charities Hawaii, Conservation Council for Hawaii, The Nature Conservancy, Hawaii Green Growth Initiative, and nine individuals. Your Committees received testimony in opposition to this measure from The Chamber of Commerce of Hawaii, Hawaii Association of REALTORS, NAIOP Commercial and Real Estate Development Association, Building Industry Association-Hawaii, Animal Rights Hawaii, and two individuals.

Your Committees find that the development, sale, and improvement of real estate in Hawaii puts additional pressure on watersheds, Hawaii's water resources, and watershed recharge areas. Over the years, enormous amounts have been invested in the development and sale of real estate in Hawaii, and continued investment in real estate sales and development is helping to lift the economy out of recession. Yet, a comparatively minor investment in protecting the natural resources could also drive the economy and provide economic benefits. While watershed protection is one of many authorized beneficiaries of the natural area reserve fund, additional funding is needed as Hawaii's watershed health declines.

Your Committees further find that over half of Hawaii's watersheds have been lost and immediate action is needed to secure Hawaii's water supply. Hotter, drier conditions and damaged watershed forests are escalating the costs and conflicts over water. Protecting forest watersheds is a very cost effective and efficient way to absorb rainwater and replenish ground water. Your Committees believe that it makes sense to spend a portion of conveyance tax revenue on protecting these natural resources.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1166 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.

Water and Land

Ayes, 5. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

Energy and Environment

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 443 Human Services on S.B. No. 148**

The purpose and intent of this measure is to appropriate monies to establish and operate a comprehensive service center for the deaf, hard of hearing, and deaf-blind.

Your Committee received testimony in support of this measure from the Department of Human Services, Deaf and Hard of Hearing Advisory Board, Aloha State Association of the Deaf, and twenty-one individuals.

Your Committee finds that a center providing comprehensive services for deaf, hard of hearing, and deaf-blind individuals in Hawaii has been the dream of the deaf community in Hawaii since 1972. The creation of a comprehensive service center is intended to promote individual growth, social awareness, productivity, and equality by empowering deaf, hard of hearing, and deaf-blind persons to be full participants in Hawaii's overall community. The target population for the comprehensive service center is about ten percent of the 260,000 people who are deaf, hard of hearing, and deaf-blind, according to the 2012 Disability Statistics Compendium in the State of Hawaii.

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. 148, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 444 Human Services on S.B. No. 1118**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority Board of Directors to set the salaries of the Executive Director, Executive Assistant, and other key management personnel subject to federal limitations.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and Hawaii Public Housing Authority Board of Directors.

Your Committee finds that the Hawaii Public Housing Authority is eighty-six percent federally funded and that over ninety-five percent of the salaries at the Authority are federally funded or funded through rental receipts. Because of this, the United States Department of Housing and Urban Development has mandated that public housing agency boards across the nation be responsible in governing their respective public housing agencies. Existing state law authorizes the Authority to employ personnel, including an Executive Director and an Executive Assistant and dictates the cap on compensation provided for each position. This is not consistent with the Department of Housing and Urban Development's guidelines, which require the Board to, among other things, establish the salary of the Executive Director in accordance with a mandatory comparable salary study.

Your Committee further finds that the Hawaii Public Housing Authority is one of the largest public housing agencies in the nation, which requires that the Authority employ experienced and talented individuals to manage over 6,000 units in the State's low-income public housing communities. Having a salary limited to eighty-five percent of that of the Director of Human Resources Development severely inhibits the ability of the Board to recruit and retain qualified personnel with the necessary skills and experience to run a public housing agency of this size.

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. 1118 and recommends that 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 (Taniguchi, Slom).

**SCRep. 445 (Joint) Human Services and Judiciary and Labor on S.B. No. 1112**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to:

- (1) Delete delinquent accounts receivable records for state low-income public housing projects that have been delinquent at least ninety days; and
- (2) Assign delinquent accounts to a collection agency.

Your Committees received testimony in support of this measure from the Department of Human Services and Hawaii Public Housing Authority.

Your Committees find that existing law allows the Hawaii Public Housing Authority to delete from its accounts receivable the records of delinquent accounts for vacated units within the federal low-income public housing program that have been delinquent for over ninety days and allow those delinquent accounts to be assigned to a collection agency.

Your Committees further find that unless this measure is enacted, due to the fact that there are no similar statutory provisions for the administration of the state low-income public housing program, any account receivable must be delinquent for more than two years and meet the requirements of section 40-82, Hawaii Revised Statutes.

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. 1112 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Judiciary and Labor

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

**SCRep. 446 (Joint) Human Services and Health on S.B. No. 322**

The purpose and intent of this measure is to appropriate funds as a grant to Best Buddies Hawaii to support its Hawaii chapters and to provide services to youth with intellectual and developmental disabilities.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Best Buddies International, Best Buddies Hawaii, and fifteen individuals. Your Committees received comments on this measure from one individual.

Your Committees find that Best Buddies International is a non-profit organization that was founded in 1989 whose mission is to establish a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment, and leadership development for people with intellectual and developmental disabilities. Best Buddies Hawaii is a non-profit organization and the designated state affiliate of Best Buddies International. Best Buddies Hawaii is dedicated to fostering the social integration of individuals with intellectual and developmental disabilities. Best Buddies Hawaii serves 556 participants with and without intellectual and developmental disabilities in thirteen schools in Hawaii by involving parents, siblings, and friends, thereby positively impacting the lives of over 5,560 people in the State.

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. 322 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.

Human Services

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

Health

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

**SCRep. 447 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 943**

The purpose and intent of this measure is to broaden the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities or a police officer, excluding an invited guest, unless the invited guest is violating a law or public housing project rule.

Your Committees received testimony in support of this measure from the Department of the Attorney General and Hawaii Public Housing Authority. Your Committees received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii.

Your Committees find that the Hawaii Public Housing Authority continues to make improvements to security measures at many of the high risk housing projects, including the addition of fences, security fences, and photo identification cards for tenants. Enacting this measure will significantly improve the ability of the Authority to ensure a secure, livable community for residents. Meanwhile, the Authority will continue to work with local law enforcement and security personnel to refine policies and procedures to effectively keep residents safe and secure.

Your Committees have amended this measure by:

- (1) Changing references from "police officer" to "law enforcement officer";

- (2) Specifying that an alleged violation of law or administrative rules shall serve as the basis for housing authorities and law enforcement officers to issue reasonable warnings or requests to leave, the violation of which constitutes the offense of criminal trespass in the first degree; and
- (3) Removing language relating to a warning or request to leave not being necessary between 10:00 p.m. and 5:00 a.m. whether a person is not an invited guest and deleting the definition of "invited guest" as a conforming amendment.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 943, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 943, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 448 Commerce and Consumer Protection on S.B. No. 1235**

The purpose and intent of this measure is to require the Department of Commerce and Consumer Affairs to allocate the revenues derived from cable franchise fees to specific entities by specified percentages.

Your Committee received testimony in support of this measure from 'Aha Pūnana Leo, Inc.; Ka Haka 'Ūla Ke 'elikōlani, Hawaiian Language College at the University of Hawai'i at Hilo; Makauila, Inc.; Ke Kula Niihau O Kekaha Learning Center PCS; Kamehameha Schools; World Indigenous Television Broadcasters Network; Māori Television; Aboriginal Peoples Television Network; Norwegian Broadcasting Corporation Sápmi; MG ALBA; and numerous individuals. Your Committee received testimony in opposition to this measure from the Cable Television Division of the Department of Commerce and Consumer Affairs; University of Hawai'i; Honolulu City Council; Maui County Council; Kaua'i Chamber of Commerce; 'Ōlele Community Media; Hawai'i Association of Independent Schools; Hawaii Educational Networking Consortium; Ho'ike: Kauai Community Television; Viet-Nam Today Vision; Community Alliance on Prisons; Valley Isle Marine Center; Life of the Land; and numerous individuals. Your Committee received comments on this measure from the Department of Education, Office of Hawaiian Affairs, and Akakū: Maui Community Television.

Your Committee finds that the cable franchise fee is intended to provide funding for the non-commercial production and broadcast of video by public, education institutions, and government agencies. This measure would allocate the revenues collected from the cable franchise fees to increase the production and distribution of Hawaiian language broadcast media.

Your Committee has heard the concerns that the mandatory distributions in this measure would severally reduce the State's ability to provide for and support the State's institutional network, the State's broadband objectives, and the ability of the Department of Commerce and Consumer Affairs to advocate and protect consumers' interests in state and federal proceedings. The mandatory distributions in this measure would also reduce funding for other public, education, and government access programs across the State.

Your Committee notes that the testimony received in opposition to this measure was not opposed to the increased production and distribution of Hawaiian language content on television. Rather, the concerns raised in opposition were in regard to the financial consequences for other public, education, and government access programs. Your Committee understands these concerns. Your Committee also wishes to emphasize the importance of the Hawaiian language revitalization movement. The continued production and distribution of high-quality multimedia content is necessary and important, but your Committee finds that additional guidance is needed to determine the most appropriate way to provide long-term sustainable funding for a cable channel dedicated to Hawaiian language and perspective. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Director of Commerce and Consumer Affairs to work with various interested stakeholders and assess the best method to ensure dedicated funding for the development of a Hawaiian television channel and consider the potential funding source to be included in the revenues derived from the cable television franchise fees collected pursuant to chapter 440G, Hawaii Revised Statutes;
- (2) Requiring the Director of Commerce and Consumer Affairs to report findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (3) Removing language that would have required the Department of Commerce and Consumer Affairs to allocate revenues derived from cable franchise fees to specific entities by specified percentages;
- (4) Inserting a blank appropriation amount to provide funding for a grant pursuant to chapter 42F, Hawaii Revised Statutes, to 'Oiwī TV for the production and distribution of Hawaiian language content on cable television;
- (5) Amending the purpose section for consistency;
- (6) Changing the effective date to July 1, 2013; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the appropriation to 'Oiwī TV is estimated to be between \$250,000 and \$500,000 out of the Cable Television Division of the Department of Commerce and Consumer Affairs.

Your Committee also notes that the Office of Hawaiian Affairs is an interested stakeholder for purposes of this amended measure. Your Committee therefore respectfully requests your Committee on Ways and Means to consider the possibility of the Office of



Hawaiian Affairs providing matching funds to 'Oiwi TV for the production and distribution of Hawaiian language content on cable television.

As affirmed by the record of votes of the members of 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. 1235, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1235, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 449 Health on S.B. No. 394**

The purpose and intent of this measure is to establish limited immunity for individuals who seek medical assistance for victims of drug-related overdoses.

Your Committee received testimony in support of this measure from the Hawaii Women's Coalition; Drug Policy Forum; CHOW Project; Community Alliance on Prisons; American Civil Liberties Union of Hawaii; Harm Reduction Hawaii; Medicine Buddha and Bodhisattvas; and nine individuals. Your Committee received testimony in opposition to this measure from the City and County of Honolulu Police Department.

Your Committee finds that many people who experience a drug overdose, or who witness a friend experiencing a drug overdose, delay seeking medical assistance out of fear of prosecution. This delay often can result in serious negative medical outcomes or death for the person experiencing the overdose. Your Committee finds that medical amnesty is a life-saving policy that immunizes persons seeking medical assistance from criminal liability in order to ensure that medical attention is immediately sought for anyone experiencing a drug overdose.

Your Committee notes the concern of the City and County of Honolulu Police Department that this measure may potentially provide immunity to drug traffickers and finds that amendments to limit immunity to specific possession-related sections of chapter 712, Hawaii Revised Statutes, are necessary. Your Committee finds that medical amnesty makes medical safety paramount in situations where someone is experiencing an overdose and promotes a policy that is beneficial to people of the State.

Your Committee has amended this measure by:

- (1) Changing the application of the limited immunity from all of part IV of chapter 712, Hawaii Revised Statutes, to only sections 712-1241(a), 712-1242(a) and (b), 712-1243, 712-1244(a) and (b), 712-1245(a) and (b), 712-1246, 712-1246.5, 712-1247(a), (b), (e), and (g), and 712-1248(a) to (c), Hawaii Revised Statutes;
- (2) Amending the condition that evidence of the specific violation was gained as a result of the person's drug-related overdose and the person's need for medical assistance to a condition that evidence of the specific violation was gained solely as a result of the person's seeking medical assistance;
- (3) Specifying that this measure shall not apply to a prosecution where a person who sought medical assistance distributed drugs to the drug-related overdose victim; 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 394, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 394, 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. 450 (Joint/Majority) Health and Judiciary and Labor on S.B. No. 876**

The purpose and intent of this measure is to:

- (1) Authorize an employer and provider of services to notify the Director of Labor and Industrial Relations in the event of a reasonable disagreement relating to specific medical services charges relating to workers' compensation claims;
- (2) Require that the notice of dispute is made in writing and that the parties negotiate during the thirty-one calendar days following the date of the notice of dispute to the Director;
- (3) Authorize the Director of Labor and Industrial Relations to render an administrative decision without a hearing in the event the parties fail to reach an agreement within the thirty-one-day negotiation period; and
- (4) Provide that the administrative decision rendered by the Director of Labor and Industrial Relations is final and nonappealable.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association. Your Committees received testimony in opposition to this measure from Solera Integrated Medical Solutions and Property Casualty Insurers Association of America.

Your Committees find that this measure offers a necessary informal dispute resolution process for disputes between an employer and service provider relating to workers' compensation claims. Your Committees have concerns, however, regarding this measure's service fee and the inability of an employer or service provider to appeal the Director's decision. Accordingly, your Committees have amended this measure by:

- (1) Lowering the service fee assessed to either or both parties who fail to negotiate in good faith from \$500 to \$250;

- (2) Mandating that the administrative decision rendered by the Director of Labor and Industrial Relations shall be appealable to the Appellate Board for ninety days after the administrative decision is issued and thereafter to the Intermediate Appellate Court, subject to chapter 602, Hawaii Revised Statutes; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Health and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 876, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 876, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Judiciary and Labor

Ayes, 4; Ayes with Reservations (Ihara). Noes, none. Excused, 1 (Slom).

**SCRep. 451 (Joint/Majority) Health and Commerce and Consumer Protection on S.B. No. 650**

The purpose and intent of this measure is to prohibit physicians, nurses, and pharmacists from:

- (1) Prescribing long-acting opioid painkillers in emergency rooms;
- (2) Prescribing more than a three-day supply of any other opioid painkillers in emergency rooms; and
- (3) Refilling prescriptions for opioid painkillers that have been lost, stolen, or destroyed,

with certain exceptions.

Your Committees received testimony in support of this measure from the Department of Public Safety, Kaiser Permanente Hawaii, and Hawaii Medical Service Association. Your Committees received testimony in opposition to this measure from The Queen's Health Systems, Hawaii Medical Association, and American Academy of Pain Management.

Your Committees find that this measure will help deter pharmaceutical controlled substance abuses from visiting hospital emergency rooms in an attempt to fraudulently obtain large amounts of controlled substances. Your Committees also suggests that physicians and nurses should be required to attend continuing medical education training on opioid distribution.

Your Committees have amended this measure by:

- (1) Replacing "pharmacist" with "physician's assistant" in this measure because pharmacists are already not authorized to prescribe opioids;
- (2) Adding MS contin, oxycontin, and fentanyl to the list of long-acting opioid painkillers prohibited from being prescribed in emergency rooms;
- (3) Prohibiting prescriptions for more than a seven-day supply, as opposed to a three-day supply, of opioids other than long-acting opioids in emergency rooms; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 650, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 650, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

Commerce and Consumer Protection

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Nishihara, Solomon, Taniguchi).

**SCRep. 452 (Joint) Health and Education and Commerce and Consumer Protection on S.B. No. 343**

The purpose and intent of this measure is to:

- (1) Require the Director of Health to participate in the national oral health surveillance system, a national database managed by the federal Centers for Disease Control and Prevention and the Association of State and Territorial Dental Directors;
- (2) Permit dental hygienists to apply preventative sealants in a school-based dental sealant program, in consultation with a licensed dentist or a federally qualified health care facility;
- (3) Require the department of health to establish and administer a school-based dental sealant program in a high-need demonstration school;
- (4) Require the Department of Health to report to the Legislature about the Department's efforts to prioritize prevention of tooth decay amongst the State's children; and

- (5) Appropriate funds to establish and administer a school-based dental sealant program in a high-need demonstration school, including plans to implement the program on a statewide level.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, Kokua Kalihi Valley Community Health Center, American Dental Hygienists Association, and seven individuals. Your Committees received testimony in opposition to this measure from the Hawaii Dental Association and one individual. Your Committees received comments on this measure from the Department of Health, Board of Dental Examiners, and three individuals.

Your Committees find that the application of preventative sealants to children's teeth is an effective way to prevent tooth decay. In a recent report by the Pew Center on the States, "Falling Short: Most States Lag on Dental Sealants," Hawaii was one of five states to receive an "F" rating and received only one out of a possible eleven points. Your Committees further find that Hawaii is one of eight states with the most restrictions on dental hygienists, the primary practitioners who apply dental sealants in school-based programs.

Your Committees note that there was concern expressed at the hearing that dental hygienists applying dental sealants should have their work overseen by a licensed dentist. To that end, your Committees find that dental hygienists can safely apply dental sealants when their work is done in consultation with a licensed dentist. Because it is imperative that steps be taken to immediately improve the dental health of Hawaii's children, your Committees find it necessary to permit dental hygienists to apply dental sealants at all federally qualified health centers as well.

Your Committees have amended this measure by:

- (1) Requiring dental hygienists to apply preventative sealants in consultation with a licensed dentist;
- (2) Permitting dental hygienists to apply preventative sealants in federally qualified health centers;
- (3) Changing the effective date to January 1, 2054, to encourage further discussion; provided that the measure shall be repealed on January 1, 2057; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Education 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. 343, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 343, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Education

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 453      Ways and Means on S.B. No. 707**

The purpose and intent of this measure is to repeal chapter 171C, Hawaii Revised Statutes, relating to the Public Land Development Corporation.

In addition, the measure also:

- (1) Deposits unexpended and unencumbered funds appropriated to the Department of Land and Natural Resources pursuant to Act 55, Session Laws of Hawaii 2011, into the land conservation fund;
- (2) Deposits unexpended and unencumbered proceeds in the stadium facilities special fund and the school facilities special fund into the general fund; and
- (3) Transfers the planner and project-related development specialist hired pursuant to Act 55, Session Laws of Hawaii 2011, to the Department of Land and Natural Resources.

Your Committee received written comments in support of this measure from Activities & Attractions Association of Hawaii, Life of the Land, Outdoor Circle, Island Breath, and fourteen individuals. Your Committee received written comments in opposition to this measure from the Hawaii Department of Defense. The Department of Land and Natural Resources, Puna Pono Alliance, and one individual submitted written comments.

Your Committee finds that the community has expressed significant concerns regarding the establishment of the Public Land Development Corporation. Of specific concern has been the exemptions granted to the Corporation, which effectively authorize the Corporation to bypass county plans and subdivision and zoning codes. Although the Corporation's intended purpose of spurring economic development and improving recreational opportunities by utilizing public lands is commendable, your Committee believes that the Corporation has been granted excessive powers without sufficient safeguards. Accordingly, your Committee finds that, at this time, it is in the public's best interest to repeal the legislation that established the Public Land Development Corporation.

Your Committee has amended this measure by:

- (1) Clarifying that the executive director, in addition to the planner and project-development specialist hired pursuant to Act 55, Session Laws of Hawaii 2011, shall be transferred to the Department of Land and Natural Resources;

- (2) Providing for the transfer of assets made, used, acquired, or held by the Public Land Development Corporation to the Department of Land and Natural Resources; 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. 707, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 707, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 454      Tourism and Hawaiian Affairs on S.B. No. 170**

The purpose and intent of this measure is to amend the law relating to tourism.

Your Committee has amended this measure by deleting its contents and replacing it with language that will expand the powers and duties of the Hawaii Tourism Authority to include perpetuating the uniqueness of the native Hawaiian culture and community and the importance of the native Hawaiian culture and community to the quality of the visitor experience by ensuring that:

- (1) Native Hawaiian culture is accurately portrayed by the visitor industry;
- (2) Cultural practitioners and cultural sites that give value to Hawaii's heritage are supported; and
- (3) A native Hawaiian cultural education and training program is provided for the visitor industry workforce having direct contact with visitors.

As this measure moves forward during the legislative process, your Committee encourages the Hawaii Tourism Authority to submit testimony addressing the feasibility and implementation of a native Hawaiian cultural education and training program for the visitor industry workforce having direct contact with visitors.

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 Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 170, as amended herein, and recommends that it be recommitted to the Committee on Tourism and Hawaiian Affairs, in the form attached hereto as S.B. No. 170, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 1 (Hee).

**SCRep. 455      (Joint/Majority) Transportation and International Affairs and Water and Land on S.B. No. 1207**

The purpose and intent of this measure is to exempt all work involving submerged lands used for state commercial harbor purposes from the permit and site plan approval requirements for lands within the conservation district.

Your Committees received testimony in support of this measure from the Department of Transportation and one individual. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs, Sierra Club, Marine Resource Council, and one individual. Your Committees received comments on this measure from The Chamber of Commerce of Hawaii and the Building Industry Association of Hawaii.

Your Committees find that the exemption provided by this measure allows the Harbors Division of the Department of Transportation to plan and more effectively and efficiently implement projects in a timely manner to meet the growing needs of the maritime industry. The "just in time" cargo system for Hawaii is dependent upon the state commercial harbors system, as ninety-eight percent of imported goods pass through harbors. Significant impacts to facility operations and delivery of goods can occur if necessary capital projects are not completed or harbor facilities are not maintained or rehabilitated in a timely manner due to unnecessary permit delays.

Your Committees also find that sufficient oversight already exists for submerged lands within the state commercial harbors system for the preservation of the ecosystem, flora, and fauna under existing state and federal environmental laws.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1207 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.

Transportation and International Affairs  
Ayes, 7. Noes, none. Excused, 2 (Gabbard, Slom).

Water and Land  
Ayes, 4; Ayes with Reservations (Shimabukuro). Noes, 1 (Thielen). Excused, 2 (Ihara, Slom).

**SCRep. 456      Commerce and Consumer Protection on S.B. No. 633**

The purpose and intent of this measure is to clarify that the value of work performed by an unlicensed contractor shall not offset the value of the property for purposes of determining whether an act constitutes unlicensed contractor fraud and if so, in what degree.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Department of the Prosecuting Attorney, County of Maui.

Your Committee finds that a contract by an unlicensed contractor is illegal. For unlicensed contractor fraud in the first and second degrees, there are minimum thresholds for the total value of the property over which a person obtains control, which must be met in order for the act to constitute those offenses. By permitting an offset of the value of work illegally performed by an unlicensed contractor, the value of the property is less likely to meet the threshold necessary to constitute the offenses. This measure makes it clear that no offset should be applied when calculating the property value for these offenses.

As affirmed by the record of votes of the members of 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. 633 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 (Taniguchi, Slom).

**SCRep. 457 (Majority) Economic Development, Government Operations and Housing on S.B. No. 123**

The purpose and intent of this measure is to amend the laws relating to economic development.

Your Committee has amended this measure by deleting its contents and inserting language to amend the Hawaiian Homes Commission Act, 1920, as amended, to establish a Native Hawaiian corporation under the Department of Hawaiian Home Lands to manage "available lands" under the Hawaiian Homes Commission Act, "ceded lands" under the Admissions Act, and other lands to which Native Hawaiians and Hawaiians may be entitled, to be referred to collectively as "Native Hawaiian lands".

Prior to amending this measure, a proposed S.D. 1 was prepared and made available for public review.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 123, as amended herein, and recommends that it be recommitted to the Committee on Economic Development, Government Operations and Housing, in the form attached hereto as S.B. No. 123, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, 1 (Thielen). Excused, none.

**SCRep. 458 (Majority) Tourism and Hawaiian Affairs on S.B. No. 168**

The purpose and intent of this measure is to amend the law relating to Hawaiian affairs.

Your Committee has amended this measure by deleting its contents and replacing it with language that authorizes the Department of Hawaiian Home Lands to enter into public-private partnership agreements with individuals or private entities to create revenue for the Department of Hawaiian Home Lands.

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 Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 168, as amended herein, and recommends that it be recommitted to the Committee on Tourism and Hawaiian Affairs, in the form attached hereto as S.B. No. 168, S.D. 1, for further consideration.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, 3 (Hee, Kidani, Shimabukuro).

**SCRep. 459 Commerce and Consumer Protection on S.B. No. 120**

The purpose and intent of this measure is to authorize the Public Utilities Commission to establish a policy to implement economic incentives and cost recovery regulatory mechanisms to induce and accelerate electric utilities' cost reduction efforts, encourage greater utilization of renewable energy, accelerate the retirement of utility fossil generation, and increase investments to modernize the State's electrical grids.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; and Blue Planet Foundation.

Your Committee finds that this measure gives policy guidance to incentivize Hawaii's electric utility companies to make needed reforms that attain lower electricity rates and achieve Hawaii's clean energy objectives. The various mechanisms in this measure also represent regulatory tools that make the State's transition to an affordable clean energy-focused system mutually beneficial to electric utilities and ratepayers. Your Committee further finds that this measure allows the Public Utilities Commission sufficient flexibility to evaluate, select, and tailor the best set of incentive mechanisms to transform Hawaii's electric industry and achieve an affordable clean energy future.

As affirmed by the record of votes of the members of 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. 120, S.D. 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 460 Commerce and Consumer Protection on S.B. No. 1066**

The purpose and intent of this measure is to clarify, amend, and correct errors in Hawaii's securities law.

Your Committee received testimony in support of this measure from the Business Registration Division of the Department of Commerce and Consumer Affairs. Your Committee received comments on this measure from the American Council of Life Insurers.

Your Committee finds that the Hawaii Uniform Securities Act, codified as chapter 485A, Hawaii Revised Statutes, contains some errors and inconsistencies. This measure corrects and clarifies these errors and inconsistencies and has been reviewed by interested stakeholders in the securities industry, including the Securities Section of the Hawaii Bar Association, the Securities Industry Financial Markets Association, the Financial Planners Association, and the 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. 1066 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 (Taniguchi, Slom).

**SCRep. 461 (Majority) Commerce and Consumer Protection on S.B. No. 470**

The purpose and intent of this measure is to prohibit retailers from imposing credit card surcharges in certain instances.

Your Committee received testimony in support of this measure from the Hawaii Credit Union League, Hawaii Bankers Association, and five individuals. Your Committee received comments on this measure from the Hawaii Food Industry Association and Retail Merchants of Hawaii.

Your Committee finds that credit cards have become an increasingly convenient method of payment. Assessing a surcharge or checkout fee on a credit card purchase may discourage and prevent some customers from using their credit cards. Your Committee further finds that consumers should not be penalized for using credit cards and should have the option to choose whatever payment device works best for them. Your Committee also finds that ten states currently prohibit credit card surcharges. This measure permits Hawaii to join in with those other states that have instituted a ban on surcharges.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 470, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 462 Commerce and Consumer Protection on S.B. No. 1020**

The purpose and intent of this measure is to:

- (1) Extend reporting requirements to commercial co-venturers;
- (2) Allow penalties to be imposed on commercial co-venturers who fail to comply with reporting requirements; and
- (3) Clarify the exemption from registration for organizations who receive less than \$25,000 in annual contributions.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that commercial co-venturers are for-profit businesses who conduct cause-related marketing that benefit charitable organizations. Existing reporting requirements, record keeping, and remedial provisions under chapter 467B, Hawaii Revised Statutes, do not presently apply to commercial co-venturers. This measure imposes these reporting and recordkeeping requirements on commercial co-venturers and therefore ensures that charitable organizations that benefit from these commercial sales promotions have consented to the promotions. This measure also ensures that charitable organizations and the Attorney General have access to information related to a commercial co-venturer marketing event.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "professional solicitor";
- (2) Deleting language that required charitable organizations to use a uniform registration statement developed by the National Association of State Charity Officials;
- (3) Clarifying that audited financial statements submitted by registered charities to the Attorney General are confidential information;
- (4) Clarifying that exemptions from registration for charitable organizations that normally receive less than \$25,000 in annual contributions will be based on the organization's average contributions for the immediately preceding three fiscal years;
- (5) Specifying that a late filing fee of \$20 per day with a cap of \$1,000 will be imposed on professional solicitors and fundraising counsel who fail to timely renew their registrations; 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. 1020, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1020, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 463 Ways and Means on S.B. No. 1033**

The purpose and intent of this measure is to require the premiums received from the sale of general obligation bonds to be used for eligible capital expenditures pursuant to section 39-2, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that the current law only allows the premiums received from the sale of general obligation bonds to be deposited into the general fund of the State. This measure would allow these premiums to alternatively be used to finance eligible capital expenditures, pursuant to section 39-2, Hawaii Revised Statutes, including the construction or improvement of various public facilities, elementary and secondary schools, community colleges, university facilities, and other purposes approved by the Legislature. Your Committee finds that this measure provides for more funding options and greater spending flexibility and allows the Department of Budget and Finance to incur less debt while being able to meet funding requirements for necessary capital improvement projects.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1033 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, 11. Noes, none. Excused, 2 (Kahele, Tokuda).

**SCRep. 464 Ways and Means on S.B. No. 1298**

The purpose and intent of this measure is to require that projected operating costs of all capital improvements be included in the six-year program and financial plan.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the projected costs of many capital improvement projects do not include projected operating costs. This lack of critical information detrimentally affects the Legislature's decision making process. This measure would require the inclusion of projected operating costs for all capital improvements in the six-year program and financial plan, permitting improved financial planning and stewardship of state funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1298 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, 10. Noes, none. Excused, 3 (Kahele, Kouchi, Tokuda).

**SCRep. 465 Ways and Means on S.B. No. 1185**

The purpose and intent of this measure is to recast the definition of nonprofit organization to reflect the inapplicability of certain provisions of the general excise tax law, rather than basing the qualification of the organization on provisions of the federal income tax law.

The Department of Taxation submitted testimony in support of this measure. Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that sections 237-9.3 and 237-41.5, Hawaii Revised Statutes, currently define "nonprofit organization" by making specific reference to sections of the Internal Revenue Code. However, these references are not consistent with section 237-23, Hawaii Revised Statutes, which sets forth the entities that are exempt from general excise tax. Your Committee finds that amending the definition of nonprofit organization for consistency with section 237-23, Hawaii Revised Statutes, will provide necessary clarity in application of general excise tax exemptions.

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. 1185, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1185, 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, 2 (Kahele, Tokuda).

**SCRep. 466 Ways and Means on S.B. No. 1191**

The purpose and intent of this measure is to expedite the resolution of tax disputes.

More specifically, this measure allows for the establishment of up to three boards of review per taxation district and allows members of one board to be temporarily assigned to another board within the same taxation district for purposes of establishing and maintaining a quorum.

Your Committee received testimony in support of this measure from the Department of Taxation.

Your Committee received comments on this measure from Tax Foundation of Hawaii.

Your Committee finds that although the members of the tax boards of review are dedicated volunteers, many of whom have full-time jobs, there are more than two hundred cases pending before the Oahu board of review. Additional boards of review are needed to address the backlog of cases and reduce the time taxpayers must wait to resolve their tax disputes. This measure resolves those issues by authorizing the creation of up to three boards of review in a taxation district and provides the flexibility to assign review board members to other boards, as needed.

Your Committee has amended this measure by:

- (1) Deleting section 3 as unnecessary; and
- (2) 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. 1191, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1191, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Tokuda).

**SCRep. 467 (Majority) Ways and Means on S.B. No. 1193**

The purpose and intent of this measure is to eliminate the general excise tax exemption for liquor, tobacco, and food sold to any person or common carrier in interstate or foreign commerce for consumption out of state.

Your Committee received testimony in support of this measure from the Department of Taxation. The North West and Canada Cruise Association testified in opposition to the measure. The Tax Foundation of Hawaii submitted comments.

Your Committee finds that the tax exemption provided by section 237-24.3(2)(C), Hawaii Revised Statutes, was intended to incentivize the purchase of food from local agricultural sources. However, in its present form, the exemption applies to any person selling any food to common carriers for consumption out of state. Your Committee finds that this broad exemption should be eliminated because it defeats the original purpose of the exemption and provides an unnecessary tax break to common carriers and the catering companies that serve those common carriers.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050; 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. 1193, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1193, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kahele, Tokuda).

**SCRep. 468 (Majority) Ways and Means on S.B. No. 948**

The purpose and intent of this measure is to implement Hawaii's participation in the national Streamlined Sales and Use Tax Agreement by:

- (1) Amending Hawaii's tax laws to allow the State to participate in the national Streamlined Sales and Use Tax Agreement; and
- (2) Creating 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 Retail Merchants of Hawaii, Walgreens Co., Hawaii Association of Realtors, Hawaii Appleseed Center for Law and Economic Justice, and Chamber of Commerce of Hawaii.

Your Committee received testimony in opposition to this measure from the Department of Taxation, and one individual.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure allows the State to collect taxes on the sale of goods and services conducted via the Internet without placing additional burdens on interstate commerce, thereby "leveling the playing field" between local and out-of-state retailers. Your Committee also finds that the State's participation in the Streamlined Sales and Use Tax Agreement has the potential to achieve more efficient sales, excise, and use tax administration between participating states, as well as improved tax compliance by interstate vendors.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050, to promote further discussion of the measure; 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. 948, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 948, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kahele, Tokuda).

**SCRep. 469 Commerce and Consumer Protection on S.B. No. 1043**

The purpose and intent of this measure is to authorize the Public Utilities Commission to examine all information relating to power purchase agreements under review by the Commission, including the examination of power purchase agreement-relevant cost information of independent power producers.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; Blue Planet Foundation; and nine individuals. Your Committee received testimony in opposition to this measure from the Hawaii Renewable Energy Alliance.

Your Committee finds that in recent years, the cost to produce solar photovoltaic panels and wind turbines has significantly decreased. On the mainland, power purchase agreement prices for solar and wind projects have declined as production costs decreased and efficiencies increased. However, Hawaii has not seen a similar decrease in power purchase agreement prices for solar and wind projects.

Your Committee further finds that this measure provides access to documentation that will facilitate the review of power purchase agreements and enable regulators to determine if power purchase agreement pricing for renewable energy products is just, reasonable, and in the consumers' best interest. This measure also enables the Public Utilities Commission and the Division of Consumer Advocacy to determine what is causing the disparity in power purchase agreement prices for renewable energy projects in Hawaii, as compared to the mainland.

Your Committee notes that this measure enables the Public Utilities Commission to make the best possible decisions on power purchase agreements. This measure does not, nor is it intended to, take down or regulate independent power producers.

Your Committee has amended this measure by:

- (1) Specifying that the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs are authorized to examine all information relating to power purchase agreements under review by the Commission and the Division of Consumer Advocacy and making conforming amendments to the purpose section; 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. 1043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1043, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 470 Commerce and Consumer Protection on S.B. No. 502**

The purpose and intent of this measure is to establish a uniform standard for disclosure for condominium projects, cooperative housing corporations, and other community associations.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS.

Your Committee finds that under existing law, because there are several definitions of a planned community association, the nature and extent of document disclosures required of the seller is uncertain. A seller who has property that falls within the definition of a planned community is also required under chapter 508D, Hawaii Revised Statutes, to provide prospective buyers with planned community association declaration and association documents at the time of the disclosure statement.

Your Committee further finds that sellers may not know whether their property is subject to a planned community regime and may not have the requisite documents during the early stages of the transaction when initial disclosures are provided. Your Committee has heard testimony that sellers are occasionally unaware their property is located in a planned community regime if the planned community is loosely planned or not well organized. In these situations, the first indication that a property is subject to planned community governance may be upon receipt of the title report. This measure addresses these concerns by clarifying the documentation that is subject to disclosure, focusing upon the recorded restrictions that affect the property, and requiring a list of documents that must be disclosed under chapter 508D, Hawaii Revised Statutes.

Your Committee notes that this measure provides for a right of rescission by the buyer upon receipt of a current title report. The right of rescission in this measure would cover situations where a prospective buyer of a property does not discover the property is subject to planned community governance until receipt of the title report. The prospective buyer would then have fifteen days to rescind the real estate purchase contract. Your Committee also notes that the right of rescission in this measure is in addition to rights of rescission set forth in sections 508D-5, 508D-6, and 508D-13, Hawaii Revised Statutes.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 502, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 471 Commerce and Consumer Protection on S.B. No. 1039**

The purpose and intent of this measure is to require the Public Utilities Commission to include its Public Utilities Commission special fund report as an update in its annual report to the Legislature required under section 269-5, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Public Utilities Commission.

Your Committee finds that this measure will make the Public Utilities Commission's reporting process more efficient for future legislative sessions. This measure permits all pertinent information regarding the Commission's finances and functions for a given fiscal year, including progress of the State's principal clean energy standards, to be contained and submitted within one comprehensive document.

As affirmed by the record of votes of the members of 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. 1039 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 472 Education on S.B. No. 238**

The purpose and intent of this measure is to amend the definition of "student instructional hours" for elementary and secondary schools.

Your Committee received testimony in support of this measure from the Department of Education, Hawaii Association of Independent Schools, Hui for Excellence in Education, and IMUAlliance. Your Committee received testimony in opposition to this measure from the Hawaii State Teachers Association and Hawaii Educational Policy Center.

Your Committee finds that the definition of "student instructional hours" provided for in this measure will give the Department of Education greater flexibility and focus the discussion of instructional time around students and increasing access and opportunities to those teachable moments where students learn best. It will also help to improve instruction and increase student engagement by encouraging project-based learning, technology-assisted learning, and all other activities to which a general learner outcome is attached.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 238 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 (Shimabukuro, Slom).

**SCRep. 473 (Joint) Water and Land and Tourism and Hawaiian Affairs on S.B. No. 1172**

The purpose and intent of this measure is to amend the composition of the Natural Area Reserves System Commission by adding a member possessing a background in native Hawaiian traditional and customary practices and removing the Superintendent of Education as a member.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and seven individuals.

Your Committees find that having an individual with a background in native Hawaiian traditional and customary practices on the Natural Area Reserves System Commission will improve the effectiveness of the Commission in overseeing and advising on the management of cultural and archaeological resources within the natural area reserves. According to the Department of Land and Natural Resources, it consulted with the Department of Education and received no reservation or opposition to removing the Superintendent of Education from the membership of the Commission.

As affirmed by the records of votes of the members of your Committees on Water and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1172 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.  
  
Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ruderman, Thielen, Slom).  
  
Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

**SCRep. 474 (Joint) Tourism and Hawaiian Affairs and Technology and the Arts on S.B. No. 409**

The purpose and intent of this measure is to designate the month of February as "Olelo Hawai'i 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, and two individuals.

Your Committees find that the Hawaiian language community has long considered February "Hawaiian Language Month" and, in years past, successfully advocated for gubernatorial proclamations designating February as Hawaiian Language Month. This measure will codify this ceremonial designation in statute to make every February 'Olelo Hawai'i Month to help perpetuate and encourage the use of 'Olelo Hawai'i.

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 Tourism and Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 409, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 409, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 7. Noes, none. Excused, 1 (Slom).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 475 Human Services on Gov. Msg. No. 535**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON FATHERHOOD

G.M. No. 535 MICHAEL DIAS, 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 Dias to possess the requisite qualifications to be nominated to the Commission on Fatherhood.

Your Committee received testimony in support of Michael Dias from the Department of Human Services.

Mr. Dias earned a Bachelor's degree in Social Science and English with a Hawaiian Studies Minor from the University of Hawaii at Hilo. He is currently an Employment Specialist with Alu Like, Inc., in Hilo, Hawaii. He has previously served two consecutive terms on the State Commission on Fatherhood, ending on June 30, 2011. After taking a break for about a year, he was asked to apply again, which he did in June 2012, and began another term in August 2012 on an interim basis.

Mr. Dias' background includes serving as a Father Involvement Specialist with Alu Like, Inc.'s Ho'okahua Early Childhood Department. His duties included developing and implementing program activities for fathers in Ho'okahua programs, researching local and national programs on fatherhood, facilitating fatherhood groups, and collaborating with other agencies. Mr. Dias also developed a Hawaiian culture-based curriculum for fathers and made presentations at national and local conference workshops. He also has an extensive background working with native Hawaiian young children from when he was a part-time instructor and program coordinator in a program run by the University of Hawaii at Hilo.

Mr. Dias has enjoyed working with other talented and committed State Commission on Fatherhood commissioners over the years and is very familiar with the many issues concerning fathers and their importance to the family and community. As a member of the State Commission on Fatherhood, he has consistently attended the commission meetings, provided input, and followed up on necessary tasks. He has also served as a resource for the Commission and the community on resources for fathers and fatherhood programs, and he plans to continue to fulfill these roles and responsibilities.

Mr. Dias is a proud father of biological, step-, and hanai children and is familiar with the issues, challenges, and joys of manhood and fatherhood. Your Committee finds that Mr. Dias' past experiences on the State Commission on Fatherhood, as well as his continuing commitment to issues relating to fatherhood, will be great assets to the Commission.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 476 Human Services on Gov. Msg. Nos. 536, 537, and 594**

Recommending that the Senate advise and consent to the nominations of the following:

STATE REHABILITATION COUNCIL

G.M. No. 536 JONATHAN CHUN, for a term to expire 6-30-2013;

G.M. No. 537 JONATHAN CHUN, for a term to expire 6-30-2016; and

G.M. No. 594 ANN LEMKE, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, work experience, and resumes submitted by the nominees and finds Jonathan Chun and Ann Lemke to possess the requisite qualifications to be nominated to the State Rehabilitation Council.

JONATHAN CHUN

Your Committee received testimony in support of the nomination of Jonathan Chun from the Department of Human Services.

Your Committee finds that Mr. Chun will provide representation to the State Rehabilitation Council for business and labor and Kauai County.

Mr. Chun brings to the Council over thirty years of legal practice experience as an attorney in the public and private sectors. He is currently the managing partner of Belles Graham Proudfoot Wilson and Chun, LLP, on the island of Kauai. Mr. Chun's work has included being a volunteer on the Work Force Development Council, representing the County of Kauai.

Your Committee finds that through Mr. Chun's years of work on employment issues in the Hawaii labor market, he brings a wealth of experience and networking possibilities to the Council.

ANN LEMKE

Your Committee received testimony in support of the nomination of Ann Lemke from the Department of Human Services.

Ms. Lemke is an individual with a lifetime of experience in the employment and independent living of individuals with disabilities, both professionally and personally. She has been actively involved in the development and running of programs for the independent lives of people with disabilities since 1980. Ms. Lemke is currently a professor at Windward Community College and is a Disability Specialist and Admissions Coordinator. She is also the President of the "Anuenue" Chapter of the Hawaii National Federation of the Blind.

Your Committee finds that Ms. Lemke's vast knowledge, education, and work with individuals in a variety of disabilities will be assets to the State Rehabilitation Council.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 477 Commerce and Consumer Protection on S.B. No. 1076**

The purpose and intent of this measure is to:

- (1) Clarify the requirements for Hawaii acupuncture licensees who graduate from an accredited doctoral program in acupuncture and Oriental medicine and intend to use the title of "Doctor of Acupuncture";
- (2) Repeal the requirement for the Board of Acupuncture to approve advanced programs of study; and
- (3) Require licensees who graduate from foreign institutions to submit their educational credentials to a Board of Acupuncture approved and designated professional evaluator.

Your Committee received testimony in support of this measure from the Board of Acupuncture, Hawaii Oriental Medicine and Acupuncture Association, Institute of Clinical Acupuncture and Oriental Medicine, and one individual.

Your Committee finds that existing law allows acupuncture licensees to complete either an accredited program or a program approved by the Board of Acupuncture as the basis to use the title "Doctor of Acupuncture" or designation "D.Ac." Until recently, there was no available accredited doctoral program; therefore the only way a licensee could meet this requirement was to apply to the Board for approval of the program studied by the licensee. However, in 2002, an accredited doctoral program was developed by the Accreditation Commission for Acupuncture and Oriental Medicine, the national accrediting body for United States acupuncture and Oriental Medicine schools. Your Committee further finds that this measure repeals the Board's authority to approve advanced programs of study, as it is more appropriate for the Board to defer to and rely upon the Accreditation Commission for Acupuncture and Oriental Medicine to accredit and approve doctoral programs of study.

Your Committee has heard testimony about the possibility for the Doctor of Acupuncture and Oriental Medicine degree to be referenced in this measure. Your Committee understands that the Doctor of Acupuncture and Oriental Medicine degree is conferred upon a student who graduates from an accredited doctoral program in acupuncture and Oriental medicine and should not necessarily be confused with a title or designation indicating licensure in Hawaii. As the intent of this measure is to ensure acupuncture licensees complete accredited doctoral programs and to repeal a specific Board of Acupuncture requirement, incorporating a reference to the Doctor of Acupuncture and Oriental Medicine degree is not appropriate at this time. However, your Committee also understands that the Board of Acupuncture is open to additional discussions on this topic at future meetings.

As affirmed by the record of votes of the members of 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. 1076 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 478 Public Safety, Intergovernmental and Military Affairs on S.B. No. 727**

The purpose and intent of this measure is to expressly authorize the enactment of county ordinances deemed necessary to protect property and preserve the order and security of the county and its inhabitants on any subject not inconsistent with the intent of state or

federal statutes, rules, or regulations that do not disclose an intent that the statute, rule, or regulation be exclusive or uniform throughout the State.

Your Committee received testimony in support of this measure from the Hawaii Cattlemen's Council, Molokai Chamber of Commerce, Kapala IT, and two individuals. Your Committee received testimony in opposition to this measure from the Department of the Corporation Counsel of the City and County of Honolulu.

Your Committee finds that businesses face unnecessary challenges and burdens when county governments implement ordinances that conflict with accepted federal or state laws. This measure promotes uniformity and consistency between county ordinances with state and federal statutes, rules, or regulations, which is necessary to ensure that businesses are able to effectively navigate expansion and growth across the State.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 727 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 (Galuteria, Green).

**SCRep. 479 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1177**

The purpose and intent of this measure is to replace the Reentry Coordinator with the Director of Public Safety as an ex officio nonvoting member of the Reentry Commission.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that the 2012 amendments to Act 24, Special Session Laws of Hawaii 2009, revised the membership of the Reentry Commission and included as an ex officio nonvoting member the "Reentry Coordinator." This identified position is temporary and is not endowed with the authority to make commitments for the Department of Public Safety; the Director of Public Safety is the ultimate authority for the Department. Therefore, your Committee finds that the Director of Public Safety is in the best position to represent the Department and to make commitments more efficiently, moving the Reentry Commission's work forward.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1177 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 (Galuteria, Slom).

**SCRep. 480 Public Safety, Intergovernmental and Military Affairs on S.B. No. 212**

The purpose and intent of this measure is to:

- (1) Allow the counties six, rather than two, years to adopt their amendments to the state building code; and
- (2) Permit the counties to apply their most recently adopted building code until the new amendments are adopted and use the state building code as a reference during the six-year timeframe.

Your Committee received testimony in support of this measure from the Building Industry Association of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Defense; Kauai Fire Department; Department of Fire and Public Safety, County of Maui; Plumbing and Mechanical Contractors Association of Hawaii; Structural Engineers Association of Hawaii; American Chemistry Council; International Association of Plumbing and Mechanical Officials; and International Code Council. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; American Institute of Architects; and American Council of Engineering Companies of Hawaii.

Your Committee finds that the purpose of building codes is to establish minimum acceptable standards necessary for preserving the public health, safety, and welfare and for protecting property. The development and updating of appropriate uniform building codes that can withstand the unique threats and hazards of Hawaii are critical in protecting our citizens. Currently, most states update their building codes every three years to ensure that the most up-to-date safety practices, innovations in energy efficiency, and other practical advances in construction are incorporated into the building codes. In the interest of public safety, your Committee finds that counties should likewise be required to adopt their amendments to the model code within three years after the State Building Code Council adopts the State Building Code.

Your Committee has amended this measure by changing the timeframe from six to three years for counties to adopt the statewide model building code and making conforming amendments.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs 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, 3. Noes, none. Excused, 2 (Galuteria, Slom).

**SCRep. 481 Public Safety, Intergovernmental and Military Affairs on S.B. No. 682**

The purpose and intent of this measure is to:

- (1) Clarify the authority of the county fire chiefs to examine building plans or documentation, or both, for certain types of projects to ensure that they are in compliance with the fire code and fire and life safety standards; and
- (2) Require the approval of plans and specifications and issuance of permits before work may begin.

Your Committee received testimony in support of this measure from the Kauai Fire Department. Your Committee received testimony in opposition to this measure from the Building Industry Association of Hawaii, Hawaii Farm Bureau Federation, BKA Builders, and Complete Construction.

Your Committee finds that a thorough review of construction plans is necessary to ensure compliance with the fire code and fire and life safety standards. Your Committee further finds that section 132-9, Hawaii Revised Statutes, uses language that was applicable over thirty years ago and that building occupancies and classifications have since changed. This measure is necessary to update the law and broaden the authority of the county fire chiefs to inspect plans and documentation for any type of building, structure, or facility in the interest of public safety.

Your Committee has amended this measure by:

- (1) Clarifying that the required plans or documentation, or both, are required for construction, alteration, rehabilitation or addition to any facility, rather than any property, and to a change in use of structure, rather than property;
- (2) Permitting work to begin as soon as the necessary permits are issued by the jurisdiction having authority, without requiring the approval of the county fire chief, because each county fire chief's authority varies depending on agreements with building officials; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 682, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 682, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 482 Human Services on Gov. Msg. No. 623**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION ON FATHERHOOD

G.M. No. 623 SHANNON CARRIER, for a term to expire 6-30-2016

Your Committee has reviewed the personal history and statements submitted by the nominee and finds Shannon Carrier to possess the requisite qualifications to be nominated to the Commission on Fatherhood.

Your Committee received testimony in support of the nomination of Shannon Carrier from the Department of Human Services and two individuals.

Mr. Carrier is currently employed as the Director of Ohana Support Services with the Maui Family Support Services, a non-profit organization in Maui that helps families with family strengthening programs and activities. As Director, Mr. Carrier is responsible for developing and implementing outreach plans to engage fathers, facilitating a safe group for parenting teens and young adults, and providing education and support services for fathers and male caregivers.

Mr. Carrier has worked with fathers and families for over twenty years. For the past six years, he has been involved in mentoring, teaching, and assisting men in their role as fathers.

Mr. Carrier indicated in his personal statement that he hopes to represent Maui County fathers and families and their unique needs. He also wants to see fatherhood involvement set as a priority and increased understanding of the critical role fathers play in the family and community.

Mr. Carrier is a proud father of four daughters and is familiar with the issues, challenges, and joys of fatherhood.

Your Committee finds that Mr. Carrier's past experiences, as well as his continuing commitment to issues relating to fatherhood, will be great assets to the Commission.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 483 Human Services on Gov. Msg. Nos. 624 and 625**

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 624 SUZIE SCHULBERG, for a term to expire 6-30-2017; and

G.M. No. 625 SARAH YUAN, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories and statements submitted by the nominees and finds Suzie Schulberg and Sarah Yuan to possess the requisite qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

#### SUZIE SCHULBERG

Your Committee received testimony in support of Suzie Schulberg from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, Hawaii Long Term Care Association, and one individual.

Ms. Schulberg is currently the Chief Operating Officer at 15 Craigside and has eleven years of experience in long term care administration, including development, construction, and pre-selling an \$86,000,000 bond-financed continuing care retirement community in Nuuanu. Ms. Schulberg was a 2010 Pacific Century Fellow and holds a Graduate certificate in Gerontology, a Master of Business Administration, and a Bachelor's degree in History.

Ms. Schulberg indicated in her personal statement that she hopes to work with other members of the Board to learn, share, and collaborate on initiatives and ideas that will continue to address and strengthen the welfare of Hawaii's older adults, their caregivers, and their families.

Your Committee finds that Ms. Schulberg's past experiences with Hawaii's aging population, as well as her continuing commitment to issues relating to elders, will be great assets to the Board.

#### SARAH YUAN

Your Committee received testimony in support of the nomination of Sarah Yuan from the Executive Office on Aging; Policy Advisory Board for Elder Affairs; University of Hawaii, Kapiolani Community College Kupuna Education Center; and six individuals.

Ms. Yuan is currently an Associate Specialist at the University of Hawaii Center on the Family and is well-known for developing Hawaii's Aging Data Center. Ms. Yuan earned a Doctorate and Master's degree in Sociology, certificates in Sampling Program for Survey Statisticians and Population Studies, and a Master's degree in Applied Social Research. Ms. Yuan has over twenty-five peer-reviewed and technical publications and was an award recipient for the 2010 Hawaii Pacific Gerontological Society's Research and Teaching Award. She specializes in medical sociology, demography of aging, homelessness, community needs assessments, and program evaluation.

Ms. Yuan indicated in her personal statement that she hopes to use her expertise in research and statistics to bring empirical data and credible information to the discussion to facilitate informed decision making. She believes she can contribute to the data-driven decision making process that will improve the accountability, efficiency, and effectiveness in meeting Hawaii's needs for the rapidly growing older adult population.

Your Committee finds that Ms. Yuan's past experiences in research of elder affairs, as well as her continuing commitment to issues relating to elders, will be great assets to the Board.

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, 2 (Green, Taniguchi).

#### **SCRep. 484 Human Services on Gov. Msg. Nos. 626, 627, and 628**

Recommending that the Senate advise and consent to the nominations of the following:

#### STATE REHABILITATION COUNCIL

G.M. No. 626 FRANCINE KENYON, for a term to expire 6-30-2016;

G.M. No. 627 GRETCHEN LAWSON, for a term to expire 6-30-2015; and

G.M. No. 628 ROBERT WALL, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories and statements submitted by the nominees and finds Francine Kenyon, Gretchen Lawson, and Robert Wall to possess the requisite qualifications to be nominated to the State Rehabilitation Council.

#### FRANCINE KENYON

Your Committee received testimony in support of the nomination of Francine Kenyon from the Department of Human Services, Disability and Communication Access Board, and three individuals.

Ms. Kenyon currently works as a Recreation Assistant in the City and County of Honolulu Parks and Recreation Therapeutic Unit, which fosters independence and encourages full participation of children, youth, and adults with disabilities in recreational activities and programs. She also served as Coordinator of the Hawaii State Coordinating Council on Deafness. She is currently a member of the Deaf and Hard of Hearing Advisory Board and serves as their Legislative Chairperson.

Ms. Kenyon indicated in her personal statement that she hopes to enhance better vocational rehabilitation services for those who are deaf, hard of hearing, and deaf-blind in order for them to be financially and socially independent. With over forty years of advocacy and education related to deaf, hard of hearing, and deaf-blind issues, Ms. Kenyon continues to seek out opportunities to serve her peers with disabilities.

Your Committee finds that Ms. Kenyon's experiences with the Hawaii State Coordinating Council on Deafness and Deaf and Hard of Hearing Advisory Board, as well as her continuing commitment to issues relating to the deaf, hard of hearing, and deaf-blind, will be great assets to the Council.

GRETCHEN LAWSON

Your Committee received testimony in support of the nomination of Gretchen Lawson from the Department of Human Services.

Ms. Lawson is the current Chair of the State Rehabilitation Council and has been a strong participant during her first three year term. She is active in the County of Hawaii as a professional in the field of vocational rehabilitation as the Executive Director of the ARC of Kona, an organization that provides employment services for people with disabilities. She also brings valuable insight to the Council and represents community rehabilitation service providers and the County of Hawaii on the Council.

Ms. Lawson has over eighteen years of experience in Hawaii as a service provider and contractor working with the Division of Vocational Rehabilitation. She also has educational credentials in Speech Pathology, Audiology, and Education.

Ms. Lawson indicated in her personal statement that she hopes to lead the Council to greater involvement as a partner in ensuring quality service delivery to the Council's target population.

Your Committee finds that Ms. Lawson's past experiences as Chair of the Council, as well as her continuing commitment to issues relating to vocational rehabilitation, will be great assets to the Council.

ROBERT WALL

Your Committee received testimony in support of the nomination of Robert Wall from the Department of Human Services, Hawaii Disability Rights Center, and one individual.

Mr. Wall is currently the Legislative Advocate for the Community Alliance for Mental Health, an organization that he helped establish. He has also worked with the Health Homes State Plan Options Collaborative, Hawaii Disability Rights Protection and Advocacy for Persons with Mental Illness Council, and Board of Directors with Mental Health America of Hawaii.

Mr. Wall indicated in his personal statement that he has accumulated a clear understanding of the goals and processes of the Patient Protection and Affordable Care Act and has a good working relationship with the Health and Human Services Committees for the State House and Senate.

Your Committee finds that Mr. Wall's personal and professional experience with people with disabilities, as well as his continuing commitment to issues relating to people with disabilities and homelessness, will be great assets to the Council.

As affirmed by the records of votes of the members of your Committee on Human Services that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 485 Public Safety, Intergovernmental and Military Affairs on S.B. No. 464**

The purpose and intent of this measure is to authorize county liquor commissions to prescribe, by rules, limitations on licensed premises regarding the expression and conduct of patrons in the premises.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii and nine individuals. Your Committee received testimony in opposition to this measure from the Liquor Commission, City and County of Honolulu and Department of Liquor Control, County of Maui.

Your Committee finds that the County of Maui passed an ordinance that prohibits dancing in bars and restaurants that serve alcohol unless the dancing takes place on a designated dance floor. However, the ordinance fails to define dancing and leaves business owners and patrons without notice as to what movements would be considered "dancing." This measure requires county liquor commissions to prescribe by rule any limitations on licensed premises regarding dance, including a definition of "dancing" to avoid vagueness and ambiguity.

Your Committee has amended this measure by:

- (1) Changing the description of the regulated behavior from "expression and conduct of patrons" to "dancing";
- (2) Requiring only those county liquor commissions that choose to regulate dancing to adopt or amend rules regarding dancing; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 464, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 464, 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 (Galuteria, Green).



**SCRep. 486      Judiciary and Labor on S.B. No. 32**

The purpose and intent of this measure is to enact the Uniform Electronic Legal Material Act. Specifically, this measure establishes requirements and standards in the event that government agencies that are official publishers of certain publications, rules, or decisions elect to publish those publications, rules, or decisions solely in electronic form.

Your Committee received testimony in support of this measure from the Judiciary, Commission to Promote Uniform Legislation, and one individual.

Your Committee finds that state governments are increasingly publishing laws, statutes, agency rules, and court rules and decisions online. Although electronic publication of legal material has facilitated public access to the material, it has also raised concerns regarding authentication and preservation of the electronic legal materials. This measure requires an official publishing agency to provide a means of authenticating that the electronic contents are unaltered and preserved in electronic or print form and accessible for use by the public on a permanent basis. The Commission to Promote Uniform Legislation clarified to your Committee that this measure does not require the electronic publication of any materials, but rather applies if one of the official publishing agencies elects to publish one of the specified legal publications solely in electronic form.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 32 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. 487      Judiciary and Labor on S.B. No. 978**

The purpose and intent of this measure is to impose a mandatory sentence of one year of imprisonment on a defendant convicted of cruelty to animals in the second degree involving five or more pet animals in any one instance.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, Humane Society of the United States-Hawaii, and two private individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender and one private individual.

Your Committee finds that in a recent animal cruelty case, the judge sentenced the former manager of a Waimanalo dog breeding facility to six months in jail for one hundred fifty-three counts of animal cruelty. However, the defendant was released from custody for time served while waiting for trial. This measure ensures that defendants convicted of multiple counts of cruelty to animals in the second degree serve time for the crimes committed.

Your Committee notes the concerns raised by the Office of the Public Defender that the outcome of a single case should not be the impetus to propose changes to the criminal justice system. However, your Committee believes that this measure represents a clear message that animal cruelty is an intolerable criminal act.

In addition, your Committee clarified that this measure is not intended to give pet animals a higher priority over criminal acts committed against five or more individuals in any one instance. Your Committee further notes that S.B. No. 421 (Regular Session of 2013) provides the same mandatory sentence of one year of imprisonment on a defendant who is convicted of certain criminal acts committed against five or more individuals or pet animals.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 978 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. 488      (Majority) Judiciary and Labor on S.B. No. 2**

The purpose and intent of this measure is to include the use of a simulated firearm in the offenses of terroristic threatening in the first degree and robbery in the first degree.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; Police Department, County of Hawai'i; and Police Department, County of Maui. Testimony in opposition to this measure was submitted by the Office of the Public Defender and two private individuals.

Your Committee finds that simulated firearms are becoming increasingly difficult to discern from real firearms and as a result, simulated firearms are being used to commit serious criminal offenses. The victims in these crimes believe that the weapons are real and are terrorized when threatened with one. The Police Department of the City and County of Honolulu testified that in the last four years, there have been at least thirty-five robbery cases and forty-two cases that amount to terroristic threatening except for the use of a simulated firearm. However, under existing law, if the weapon is not a real firearm, the suspect cannot be charged with the higher offense of robbery in the first degree or terroristic threatening in the first degree and the charges are reduced to misdemeanors. This measure adds the use of a simulated firearm in the offenses of terroristic threatening in the first degree and robbery in the first degree.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, none.

**SCRep. 489      Judiciary and Labor on S.B. No. 888**

The purpose and intent of this measure is to amend section 576D-16, Hawaii Revised Statutes, relating to an employer's duty to report new hires, to bring the Child Support Enforcement Agency into compliance with federal law.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that the federal Trade Adjustment Assistance Extension Act of 2011 amended the Social Security Act by adding a definition of the type of employees that are to be reported to the state directory of new hires. This change went into effect on April 21, 2012, and requires that all states comply with this new federal mandate by including new hire reporting language. Accordingly, this measure amends section 576D-16, Hawaii Revised Statutes, by adding a definition of new hires, as required under federal law, to include an employee who has not previously been employed by the employer or was previously employed by the employer but has been separated from the prior employment for at least sixty consecutive days.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 888 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. 490      Judiciary and Labor on S.B. No. 31**

The purpose and intent of this measure is to clarify the information required in and the deadline for filing of noncandidate committee reports. Specifically, this measure:

- (1) Separates noncandidate committee contributions that are required to be disclosed and filed in preliminary, final, and supplemental noncandidate committee reports into contributions received and contributions made; and
- (2) Amends the January deadline for filing supplemental noncandidate committee reports.

Your Committee received testimony in support of this measure from the Campaign Spending Commission, Americans for Democratic Action/Hawaii, and one individual.

Your Committee finds that by separating the reporting of contributions into contributions received and contributions made by noncandidate committees, this measure will align with the practice that noncandidate committees make and receive contributions and report them. This separation promotes transparency of spending on independent expenditures.

Your Committee further finds that amending the January deadline for filing supplemental noncandidate committee reports more clearly aligns the law with the present practice of filing a supplemental report every year. The Campaign Spending Commission testified that without this amendment, the Commission may not be able to require the filing of the January supplemental report in an election year, thereby leaving a one-year gap (July 1 of a nonelection year to June 30 of an election year) in reporting by a noncandidate committee.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 31 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. 491      Judiciary and Labor on S.B. No. 329**

The purpose and intent of this measure is to support charitable and nonprofit animal shelter and rescue organizations that care for animals in need. Specifically, this measure:

- (1) Exempts from civil liability any charitable or nonprofit organization for providing shelter or subsistence to any animal in need; and
- (2) Exempts from civil liability any person who donates goods, food, materials, or services to a charitable or nonprofit organization for the purpose of providing shelter or subsistence to any animal in need.

Your Committee received testimony in support of this measure from the Humane Society of the United States-Hawaii, Hui Pono Holoholona, and one individual.

There are many charitable and nonprofit animal shelters and rescue organizations that in good faith provide shelter or proper means of subsistence to any animal in need as part of its bona fide and customary charitable activities. Your Committee finds that these organizations provide an important service that should not be discouraged due to fear that their acts could potentially be subject to civil liability. This measure encourages charitable and nonprofit animal shelters and rescue organizations to continue to provide services without the fear of liability in caring for animals in good faith.

Your Committee further finds that many of these animal shelters and rescue organizations run entirely on donations with much of their work performed by volunteers. One of the major expenses of these organizations is the cost of supplies to care for animals. This measure will encourage individuals and businesses to donate necessary items to local animal shelters and rescue organizations without the fear of liability related to the items they donated.

Your Committee notes that this measure is similar to section 663-10.6, Hawaii Revised Statutes, which exempts from civil liability charitable or nonprofit organizations that provide shelter and subsistence to the needy and exempts any person from civil liability for

donating goods, food, materials, and services to the charitable or nonprofit organization for injuries and damages resulting from the donation.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 329, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 329, 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. 492 (Majority) Judiciary and Labor on S.B. No. 893**

The purpose and intent of this measure is to retroactively exempt members and designees or representatives of members of task forces that existed on or after June 3, 2010, from certain provisions of the Code of Ethics.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association, Hawaii Financial Services Association, Hawaii Credit Union League, and two individuals. Testimony in opposition to this measure was submitted by the Hawaii State Ethics Commission and League of Women Voters. The Department of the Attorney General submitted comments.

Your Committee finds that Act 162, Session Laws of Hawaii 2010 (Act 162), which was enacted on June 3, 2010, established the mortgage foreclosure task force. Of the seventeen members of the task force, eleven of the members were from specific organizations, including private organizations, trade associations, and government entities, whose representation was expressly required by Act 162. In May 2011, the Hawaii State Ethics Commission advised all of the members of this task force that the Code of Ethics prohibited the members from lobbying on legislative measures proposed by the task force, for pay, on behalf of the private organizations of which some of the members represented.

Your Committee notes that Act 208, Session Laws of Hawaii 2012 (Act 208), amended section 84-14, Hawaii Revised Statutes, among other sections of the Code of Ethics, to exempt members of state task forces from certain requirements, restrictions, and prohibitions of the Code of Ethics. However, Act 208 did not apply retroactively to cover task forces, including the mortgage foreclosure task force, that existed prior to the effective date of Act 208. This measure retroactively exempts members and designees or representatives of members of task forces that existed on or after June 3, 2010, from certain conflicts of interest provisions of the Code of Ethics.

Your Committee further notes the discussion during the public hearing regarding this measure with the Executive Director and former Executive Director of the Hawaii State Ethics Commission. The Executive Director testified that this measure specifically applies to a single task force that no longer exists and suggested that this retroactive application is not a reasonable or prudent exercise of legislative power. Testimony also indicates that the purpose of this measure is to protect a single member of the mortgage foreclosure task force. The Executive Director purported that this member continued lobbying activities on bills reflecting the mortgage foreclosure task force recommendations during the Regular Session of 2012 on behalf of the member's private client despite the Commission's clear advice that these actions may violate the Code of Ethics. The Executive Director testified that this measure rewards an individual for repeatedly and intentionally ignoring and defying the Commission's advice and sets a precedent that allows state employees, legislators, and board members to seek retroactive amendments to excuse ethic code violations.

However, the former Executive Director of the Hawaii State Ethics Commission, testifying as a private individual, strongly supported this measure to correct a misinterpretation and misapplication of the Code of Ethics by the Commission. While Act 208 was enacted to address the Commission's misinterpretation and misapplication of the law to task forces, particularly section 84-14, Hawaii Revised Statutes, the former Executive Director believes that Act 208 should have applied retroactively to include the mortgage foreclosure task force. The former Executive Director noted to your Committee that the Commission has a statute of limitations of six years under section 84-31(a)(6), Hawaii Revised Statutes, starting from the time of the alleged violation to file or accept a charge against a legislator or state employee, and investigate and take appropriate action. Thus, the members of the mortgage foreclosure task force as well as other task forces established prior to the enactment of Act 208 on July 3, 2012, may still be in jeopardy of being found by the Commission of being in violation of the Code of the Ethics based on the Commission's May 2011 interpretation and application of section 84-14, Hawaii Revised Statutes.

Your Committee does not find the testimony from the Hawaii State Ethics Commission compelling. Your Committee notes that the May 2011 advisory from the Commission to the members of the mortgage foreclosure task force created a disincentive for individuals to serve on task forces in general. The Legislature, Governor, and other state agencies and officials rely on the technical or experiential information that task force members from the community possess and are willing to offer, especially when government entities do not possess or cannot readily obtain such information. Your Committee believes that members from the community who possess the necessary information and expertise serve a vital role and should be afforded the opportunity to serve on task forces without fear that their participation or affiliation with the private sector may violate the Code of Ethics.

Accordingly, the purpose of Act 208 was to allow individuals that possess specific knowledge and expertise an opportunity to serve the State. Specifically, Act 208 allows individuals to serve as members of a task force that is convened on a temporary basis by the legislative or executive branch to study an issue, make recommendations, or offer advice on a specific subject by exempting these individuals from certain requirements, restrictions, and prohibitions of the State's Code of Ethics. Thus, while the Hawaii State Ethics Commission's advisory in May 2011 to the mortgage foreclosure task force may have been the impetus for Act 208, your Committee believes that this measure furthers the purposes of Act 208 rather than creating an exemption for a specific task force, as the Hawaii State Ethics Commission suggests. For further clarity, the Department of the Attorney General suggested to your Committee that section 1 of this measure be deleted to avoid specifying and referencing the mortgage foreclosure task force.

Your Committee is also concerned that if this measure is not applied retroactively, the members of the task forces established prior to the enactment of Act 208 may still be in jeopardy of violating the Code of Ethics pursuant to the six-year statute of limitations for the Commission to file a charge. This is particularly troubling in light of the former Executive Director testifying about the frequency

of cases relating to conflicts of interest allegations brought to or filed by the Commission and that the Executive Director of the Hawaii State Ethics Commission would not comment on whether the Commission has any plans to bring a cause of action against a particular task force member. Your Committee believes this measure would prevent such causes of action from being brought to or filed by the Commission rather than reward a particular individual for possibly violating the Code of Ethics, as the Hawaii State Ethics Commission suggests.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the recommendation made by the Department of the Attorney General during the hearing to delete section 1 to clarify that the retroactive date applies to all members or representatives of a member of any task force existing on or after June 3, 2010;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 893, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 893, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Ihara, Slom). Excused, none.

**SCRep. 493 (Majority Judiciary and Labor on S.B. No. 535**

The purpose and intent of this measure is to:

- (1) Extend basic labor rights and protections to domestic workers by:
  - (A) Amending the Hawaii Employment Relations Act under chapter 377, Hawaii Revised Statutes, to establish hours of labor for domestic workers and define causal basis employment and domestic worker;
  - (B) Amending chapter 378, Hawaii Revised Statutes, to amend the definition of “employment” and prohibit the employment practice of discriminating against domestic workers;
  - (C) Amending the workers’ compensation law under chapter 386, Hawaii Revised Statutes, to include service of domestic workers under the definition of “employment”; and
  - (D) Amending the wage and hour law under chapter 387, Hawaii Revised Statutes, to exclude individuals employed in domestic service in or about the home of the individuals’ employer on a casual basis; and
- (2) Direct the Department of Labor and Industrial Relations to submit a written report to the Legislature regarding the feasibility of allowing domestic workers to organize for the purposes of collective bargaining.

Your Committee received testimony in support of this measure from the Hawai’i Civil Rights Commission, Hawaii State Commission on the Status of Women, Hawaii Labor Relations Board, and American Civil Liberties Union of Hawai’i, and one individual. The Department of Labor and Industrial Relations submitted comments.

Your Committee finds that domestic workers provide services for a family other than their own within that family’s home. The duties of a domestic worker depend on the employment relationship between the domestic worker and the domestic worker’s employer. Duties may include cleaning, laundry, shopping, cooking, or child, senior, or pet care. Many domestic workers are hired under a private agreement that does not afford the basic legal employment rights and protections that guarantee minimum wage or basic work conditions, such as overtime pay, meal and rest breaks, or civil rights protections against abuse and harassment. This measure provides domestic workers a basic bill of employment rights and explores the feasibility of allowing domestic workers to organize under collective bargaining.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Hawaii Civil Rights Commission that:
  - (A) Deletes the provisions that prohibit an employer from engaging in unwelcome sexual advances toward a domestic worker or subject a domestic worker to unwelcome harassment and inserts language that prohibits an employer from discharging from employment or discriminating against a domestic worker based on the domestic worker’s race, sex, sexual orientation, age, religion, color, ancestry, disability, or marital status; and
  - (B) Makes conforming amendments to reflect these amendments;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 535, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 535, 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, 1 (Slom). Excused, none.

**SCRep. 494      Judiciary and Labor on S.B. No. 877**

The purpose and intent of this measure is to establish the procedures for the Hawaii Labor Relations Board to conduct appeals and authorize the Board to notify parties of a hearing using first class mail.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial and Relations.

Your Committee finds that this measure sets forth the procedures for the Hawaii Labor Relations Board to conduct appeals. As this measure moves through the legislative process, your Committee encourages the Department of Labor and Industrial Relations to develop language to define "contemptuous behavior" as used in to this measure.

Your Committee further finds that existing law requires the Hawaii Labor Relations Board to use registered or certified mail to provide notice to parties of a hearing. This measure would permit the Board to more efficiently allocate resources.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 877, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 877, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 495      Judiciary and Labor on S.B. No. 6**

The purpose and intent of this measure is to prohibit the use of certain cruel or 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 Hawaiian Humane Society, West Hawaii Humane Society, Hawaii Island Humane Society, The Humane Society of the United States, The Nature Conservancy, Wild Bird Rehab Haven, Hui Pono Holoholona, Equine 808 Horse Rescue, and twenty-two private individuals. Animal Rights Hawaii 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) Amending section 1 to include that one of the purposes is to require the reporting of dogs and cats that are captured or killed in a snare or trap;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 6, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 6, 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. 496      Judiciary and Labor on S.B. No. 68**

The purpose and intent of this measure is to grant a court the discretion to sentence a defendant convicted of a class B or class C felony drug case to an indeterminate term of imprisonment except for certain crime convictions.

Your Committee received testimony in support of this measure from the Office of the Public Defender, American Civil Liberties Union of Hawaii, and Community Alliance on Prisons. Testimony in opposition to this measure was submitted by the Department of the Prosecuting Attorney, County of Maui and Police Department, City and County of Honolulu.

Your Committee finds that state mandatory minimum sentencing laws are being challenged across the nation because these laws mandate longer prison sentences regardless of whether the sentencing court believes the punishment is appropriate based on the circumstances and facts of the case. Studies show that mandatory minimum sentencing of drug users causes an increase in incarceration costs and have a disproportionate impact on women and certain racial and ethnic groups. This measure grants the sentencing court the discretion to sentence a defendant convicted of a class B or class C felony drug case to a prison sentence of a length appropriate to the defendant's particular offense and underlying circumstances.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Office of the Public Defender to:
  - (A) Exclude promoting a dangerous drug in the second degree, promoting a harmful drug in the second degree, commercial promotion of marijuana in the second degree, and promoting a controlled substance through a minor from the list of drug offenses subject to the sentencing court's discretion; and
  - (B) Make conforming amendments to reflect these excluded specific drug offenses; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 68, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 68, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 497      Judiciary and Labor on S.B. No. 9**

The purpose and intent of this measure is to prohibit persons convicted of cruelty to animals in the first or second degree from possessing, owning, or residing with any pet animal for not less than a specified number of years from the date of conviction.

Your Committee received testimony in support of this measure from the Police Department, City and County of Honolulu; Hawaiian Humane Society; The Humane Society of the United States; West Hawaii Humane Society; Hui Pono Holoholona; Equine 808 Horse Rescue; Animal Rights Hawaii; and twenty-eight private individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender. The Department of the Attorney General and two private individuals submitted comments.

Your Committee finds that this measure ensures that defendants convicted of cruelty to animals in the first or second degree should no longer be afforded the privilege of owning a pet animal.

Your Committee notes the concerns raised by the Office of the Public Defender and the Department of the Attorney General. The Office of the Public Defender testified that this measure is inconsistent with section 711-1110.5, Hawaii Revised Statutes, relating to the forfeiture of animals upon the conviction of cruelty to animals in the first or second degree, among other animal cruelty offenses. Under the surrender and forfeiture of animals law, the court has the discretion to determine whether to order the defendant to surrender or forfeit the animal, which is contrary to this measure. Furthermore, the Office of the Public Defender testified that this measure may potentially force households to choose between the convicted defendant and pet animal if the court allows the pet animal to remain at the residence. Lastly, the Department of the Attorney General indicated that this measure may have unintended consequences.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 9, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 9, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 498      Judiciary and Labor on S.B. No. 872**

The purpose and intent of this measure is to amend the definition of "victim" in section 706-646, Hawaii Revised Statutes, to include any duly incorporated humane society or society for the prevention of cruelty to animals that impounds, holds, or receives custody of a pet animal pursuant to sections 711-1109.1, 711-1109.2, and 711-1110.5, Hawaii Revised Statutes, for the purposes of the collection of restitution.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Office of the Prosecuting Attorney, County of Kaua'i; Humane Society of the United States-Hawaii; and one private individual. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that in a recent decision, the Circuit Court of the First Circuit denied restitution to the Hawaiian Humane Society for their expenses incurred in caring for one hundred fifty-three dogs previously subjected to animal cruelty in the second degree. The court held that the Hawaiian Humane Society was not a government agency or a "direct victim" of the crime committed. Although the Hawaiian Humane Society assumed care of these animals and became the legal owner of all one hundred fifty-three dogs upon forfeiture proceedings, the court held that it was not the "actual owner" and was not entitled to restitution under section 706-646, Hawaii Revised Statutes. This measure provides clear language to allow any duly incorporated humane society contracted with the counties to receive restitution for expenses incurred when caring for an animal as a result of animal forfeiture or impoundment.

Your Committee notes the concerns raised by the Office of the Public Defender that adding a duly incorporated humane society contracted with the counties as a victim of a crime entitled to restitution is inappropriate. While the Office applauded agencies that care for distressed animals, caring for animals does not make that agency a victim of a crime in the legal sense. Instead, these agencies have an opportunity to seek monetary damages in civil court.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 872, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 872, 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. 499 Commerce and Consumer Protection on S.B. No. 1045**

The purpose and intent of this measure is to:

- (1) Direct the Public Utilities Commission and the Division of Consumer Advocacy to specifically consider the ownership structure and interests of an electric cooperative; and
- (2) Authorize the Public Utilities Commission to waive or exempt an electric cooperative operating in the State from compliance with chapter 269, Hawaii Revised Statutes, as well as any other applicable charters, franchises, rules, decisions, orders, or other laws.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Kauai Island Utility Cooperative, and nine individuals. Your Committee received testimony in opposition to this measure from Blue Planet Foundation.

Your Committee finds that chapter 269, Hawaii Revised Statutes, is structured to provide regulatory oversight of investor-owned electric utilities. Although electric utility cooperatives are member-owned and operate on a not-for-profit basis, existing law does not provide any exceptions for these cooperatives. This measure provides the necessary exemptions for electric utility cooperatives, while also providing adequate protection to the cooperative's members/owners by requiring a cooperative to apply for a waiver or exemption to the Public Utilities Commission.

Your Committee further finds that this measure is not intended to permit the Public Utilities Commission to utilize its discretionary authority to usurp statewide clean energy policy mandates. Rather, this measure is intended to permit the Commission to apply its discretionary authority judiciously in certain situations where existing laws, such as methodologies in the regulation of utility rates or ratemaking procedures, may not directly apply to the cooperative structure.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that this measure is not intended to exempt electric cooperatives from statutory statewide clean energy policy mandates, such as the State's Renewable Portfolio Standards and Energy Efficiency Portfolio Standards; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1045, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1045, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 500 (Majority) Ways and Means on S.B. No. 98**

The purpose and intent of this measure is to reduce the income tax liability of low-income taxpayers.

More specifically, this measure establishes an income tax credit that:

- (1) Reduces a person's income tax liability to zero if the person's federal adjusted gross income falls below federal poverty guidelines; or
- (2) Reduces a person's income tax liability by fifty per cent if the person's federal adjusted gross income falls between one hundred per cent and one hundred twenty-five per cent of federal poverty guidelines.

Your Committee received testimony in support of this measure from the Hawaii Alliance for Community-Based Economic Development, Catholic Charities Hawaii, PHOCUSED, Hawaii Appleseed Center for Law and Economic Justice, and Partners In Care - Oahu.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that, in comparison to states that impose an income tax, the income threshold at which a state resident becomes subject to the Hawaii income tax is one of the lowest in the nation. This measure establishes a tax credit to provide a means of reducing or eliminating the income tax liability of low-income taxpayers. However, your Committee also finds that, as currently drafted, the new tax credit requires significant additional calculations and steps that would make it more difficult to claim the credit or evaluate the validity of a claim for the credit.

Your Committee has amended this measure by:

- (1) Deleting the provision establishing a new income tax credit and replacing it with a provision that amends the existing refundable food/excise tax credit (section 235-55.85, Hawaii Revised Statutes) to serve as a nonrefundable low income tax credit that is not based on federal poverty guidelines;
- (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 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. 98, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 98, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kahele, Tokuda).

**SCRep. 501 Ways and Means on S.B. No. 1192**

The purpose and intent of this measure is to increase the amount of time that the Department of Taxation has within which to sell property that has been seized due to a failure of the taxpayer to pay the tax delinquency. Additionally, this measure provides for a tolling of the time period if any party commences an action concerning the seized property.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that under existing law, the Department of Taxation is required to operate within an unrealistic time frame to sell property that has been seized for the non-payment of taxes. Moreover, if a party claims to be the true owner of the property and makes a claim to the seized property, a court determination must be made on the matter before any sale can occur. By the time any determination has been made, the time for selling the property under the existing law will have passed, and the Department must start the sale process all over again. The net result is that the seizing and selling of property is not a viable option for the Department. Accordingly, your Committee finds that the time periods established by this measure will allow the Department of Taxation to effectively conduct sales of property that have been seized for non-payment of taxes.

Your Committee has amended this measure by 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. 1192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1192, 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, 2 (Kahele, Tokuda).

**SCRep. 502 Ways and Means on S.B. No. 1187**

The purpose and intent of this measure is to authorize the Department of Taxation to determine when it is reasonable to deem a delinquent tax uncollectible.

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 finds that, currently, the Department of Taxation must wait at least two years until it may declare a delinquent tax to be uncollectible. This measure will authorize the Department to use a reasonableness standard instead of the two-year waiting period when declaring an account to be uncollectible. The Department will be able to consider extrinsic factors such as the taxpayer's financial condition, inability to locate the taxpayer, collection costs, the taxpayer's health, and the taxpayer's future income prospects when making its determination. Your Committee believes that this measure will allow the Department to prioritize those delinquent accounts that will likely generate the greatest recovery for the State, while deeming as uncollectible those accounts with collection costs that will exceed the expected recovery.

Your Committee has amended this measure by:

- (1) Clarifying that, upon approval, the measure will be retroactive to January 1, 2013; and
- (2) Making numerous 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. 1187, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1187, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Tokuda).

**SCRep. 503 Ways and Means on S.B. No. 1091**

The purpose and intent of this measure is to exempt charitable contributions from the itemized deduction cap amounts established by Act 97, Session Laws of Hawaii 2011.

Your Committee received testimony in support of this measure from the Office of the Governor; the Department of Taxation; the Department of Budget and Finance; Hawaii Substance Abuse Coalition; Lahaina Arts Association; Diamond Head Theatre; Hawaii Community Foundation; Hawaii Alliance of Nonprofit Organizations; Institute for Human Services; Maui Family YMCA; Bank of Hawaii; Honolulu Museum of Art; Catholic Charities Hawaii; American Cancer Society Cancer Action Network; University of Hawaii Foundation; Aloha United Way; PBS Hawaii; Hawaii Arts Alliance; the Conservation Council for Hawaii; The Nature Conservancy; Goodwill Industries of Hawaii, Inc.; Kilauea Drama and Entertainment Network; and fifteen individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.



Your Committee finds that Act 97, Session Laws of Hawaii 2011, established temporary cap amounts on itemized deductions for state income tax purposes. Your Committee recognizes that the limitation on itemized deductions has resulted in a disincentive for taxpayers to contribute to charitable organizations. This disincentive has caused a significant reduction in funding for charitable organizations throughout the State. Your Committee further finds that this measure restores the incentive for taxpayers to make contributions to charitable organizations.

Your Committee has amended this measure by:

- (1) Making clarifying amendments to the provision exempting charitable contributions from the cap amounts on itemized deductions;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for style and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1091, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1091, 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, 2 (Kahele, Tokuda).

**SCRep. 504      Ways and Means on S.B. No. 1174**

The purpose and intent of this measure is to make emergency appropriations for costs associated with the operations of the Office of the Lieutenant Governor for fiscal year 2012-2013.

More specifically, this measure appropriates:

- (1) \$131,759 to be used by the Office of the Lieutenant Governor for personnel expenses;
- (2) \$85,653 for the purpose of providing protective services to the Lieutenant Governor; and
- (3) \$105,000 for the planning, design, and construction for costs related to the operations of the Office of the Lieutenant Governor.

Your Committee received testimony in support of this measure from Office of the Governor, Office of the Lieutenant Governor, and Department of Accounting and General Services.

Your Committee finds that the recent appointment of Senator Brian Schatz to the United States Senate and the subsequent succession of former Senate President Shan S. Tsutsui to the Office of the Lieutenant Governor resulted in unanticipated costs. Upon Lieutenant Governor Tsutsui's acceptance of office, Governor Abercrombie authorized the establishment of an additional Lieutenant Governor's Office on the island of Maui to allow the Lieutenant Governor to conduct official business on his island of residence and support the Governor's vision of a non-Oahu centric administration.

Your Committee finds that the current budget for fiscal year 2012-2013 for the Office of the Lieutenant Governor does not provide sufficient funds to establish and staff an additional Lieutenant Governor's office, train and provide protection on Maui for the Lieutenant Governor, or fund other operational costs relating to the Office of the Lieutenant Governor. Your Committee therefore finds that additional funding for the unanticipated costs of the Office of the Lieutenant Governor is necessary to enable Lieutenant Governor Tsutsui to perform his obligations and duties.

Your Committee has amended this measure by:

- (1) Changing the appropriation amount to be used by the Office of the Lieutenant Governor from \$131,759 to \$126,690; 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. 1174, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1174, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Tokuda).

**SCRep. 505      (Majority) Ways and Means on S.B. No. 1184**

The purpose and intent of this measure is to conform the state income tax law to the Internal Revenue Code.

Prior to the public hearing on this measure, your Committee circulated for review and comment a proposed draft of this measure. The proposed draft amended the measure by deleting its contents and replacing them with conforming amendments to the state income tax law that are based on amendments made to the Internal Revenue Code from January 1, 2012, to January 2, 2013.

Your Committee received testimony in support of the proposed draft from the Department of Taxation.

Your Committee received comments on the proposed draft from the Tax Foundation of Hawaii.

Your Committee finds that the annual income tax conformity measure usually adopts the Internal Revenue Code as it exists on the last day of the preceding calendar year. However, due to protracted negotiations, the American Taxpayer Relief Act of 2012 was not signed into law until January 2, 2013. Your Committee further finds that the provisions of the proposed draft serve to ensure that all amendments to sections of the Internal Revenue Code that are operative for state purposes are updated.

Your Committee has amended this measure by replacing its contents with the contents of the proposed draft.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1184, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1184, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kahele, Tokuda).

**SCRep. 506 (Joint) Agriculture and Public Safety, Intergovernmental and Military Affairs on S.B. No. 586**

The purpose and intent of this measure is to provide, under certain circumstances, an exemption from building code and permit requirements for nonresidential buildings or structures on commercial farms and ranches located outside the urban district.

Your Committees received testimony in support of this measure from the Hawaii Farm Bureau Federation, Local Food Coalition, East Oahu County Farm Bureau, Maui Cattlemen's Association, Land Use Research Foundation of Hawaii, Orchid Growers of Hawaii, W.H. Shipman Limited, Hui O Malama Aina, Hawaii Aquaculture and Aquaponics Association, Primavera Aquaponics, Ulupono Initiative, and seven individuals. Your Committees received testimony in opposition to this measure from the Department of Labor and Industrial Relations, County of Maui Department of Public Works, City and County of Honolulu Department of Planning and Permitting, and Historic Hawaii Foundation. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that current county building code and state building requirements are designed for commercial and residential buildings in urban areas and are not applicable to farm structures such as greenhouses, storage sheds, and fish tanks that pose little safety risk to the public. Your Committees further find that building code requirements are financially and logistically burdensome to farming and ranching operations and deter agricultural development and expansion. Your Committees conclude that the agricultural exemptions provided by this measure will significantly ease the financial and administrative burden on farmers and ranchers with minimal risk to the public safety.

Your Committees have amended this measure by inserting language ensuring that section 46-88(a), Hawaii Revised Statutes, trumps conflicting state laws.

As affirmed by the records of votes of the members of your Committees on Agriculture and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 586, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 586, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Thielen, Wakai, Slom).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 507 Ways and Means on S.B. No. 1206**

The purpose and intent of this measure is to clarify that the authority of the Director of Taxation includes the collection and general administration of all taxes.

The Department of Taxation submitted testimony in support of this measure. Your Committee received comments on this measure from Tax Foundation of Hawaii and a private citizen.

Your Committee finds that section 231-13, Hawaii Revised Statutes, is unclear as to whether it authorizes the Director of Taxation to collect and administer all taxes or only delinquent taxes. Your Committee further finds that the measure clarifies that the Department of Taxation shall be responsible for collecting and administering all taxes, including delinquent taxes, and authorizes third party compensation from taxes recovered from a taxpayer, which will provide for the more effective and efficient operation of the Department of Taxation.

Your Committee has amended this measure by 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. 1206, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1206, 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, 3 (Kahele, Kouchi, Tokuda).

**SCRep. 508 Technology and the Arts on S.B. No. 775**

The purpose and intent of this measure is to designate the Hawaiian hoary bat as the official state land mammal.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Conservation Council for Hawaii; Bat Conservation International; The Nature Conservancy; Humane Society of the United States, Hawaii Chapter; Livable Hawaii Kai Hui; and eight individuals.

Your Committee finds that the Hawaiian hoary bat, also known as Ōpeʻapeʻa, is Hawaii's only endemic land mammal. On October 13, 1970, the Hawaiian hoary bat was added to the United States Fish and Wildlife List of Endangered Species. This measure is necessary to raise awareness of the Hawaiian hoary bat as an endangered species and engender awareness of this uniquely Hawaiian land mammal.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 775 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 (Gabbard, Tokuda).

**SCRep. 509 Commerce and Consumer Protection on S.B. No. 200**

The purpose and intent of this measure is to require licensed social workers to complete a minimum of fifteen credit hours of continuing education courses for the licensing renewal period beginning July 1, 2013, through June 30, 2016, and forty-five credit hours of continuing education courses during each licensing renewal period beginning July 1, 2016, and thereafter.

Your Committee received testimony in support of this measure from the National Association of Social Workers, Hawaii Chapter; Hawaii Psychological Association; and nine individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that social workers need to be up-to-date on the latest developments in their field. It is important 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.

Your Committee further finds that every state except Colorado and Hawaii has continuing education requirements for social workers. Social workers provide critical services in prevention, intervention, and treatment to a broad spectrum of clientele, including vulnerable women, children, elderly, and families, who are often dealing with challenges such as gender-based violence, access to health care, issues relating to death and dying, and many other issues that intersect with gender in unique ways.

As affirmed by the record of votes of the members of 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. 200 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 510 Commerce and Consumer Protection on S.B. No. 608**

The purpose and intent of this measure is to:

- (1) Set content standards for physician continuing education regarding prevention and treatment of chronic disease through changes in nutrition and lifestyle;
- (2) Disseminate information regarding the prevention and treatment of chronic disease by the application of changes in nutrition and lifestyle behavior; and
- (3) Convene a working group to discuss nutrition and lifestyle behavior for the treatment and prevention of chronic disease at a Hawaii Medical Board meeting before July 1, 2016.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Hawaii Medical Board.

Your Committee finds that seven out of ten deaths among Americans each year are from chronic diseases, and it is estimated that health care costs for chronic disease treatment account for over seventy-five percent of national health care expenditures. According to the World Health Organization, diet is a major factor in the cause of chronic diseases, but more than one-half of graduating medical students report that the time dedicated to nutrition instruction is inadequate. Your Committee finds that this measure is necessary to address the issues of nutrition and lifestyle behavioral change by requiring the Hawaii Medical Board to set content standards for continuing education, disseminate relevant information, and assemble a working group to discuss the treatment and prevention of chronic disease through changes in nutrition and lifestyle.

As affirmed by the record of votes of the members of 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. 608, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 511 (Majority) Commerce and Consumer Protection on S.B. No. 642**

The purpose and intent of this measure is to reduce the number of children and teenagers in Hawaii who smoke by requiring that tobacco products, including cigarettes, be stored for sale behind a counter in certain retail establishments.

Your Committee received testimony in support of this measure from the Coalition for a Tobacco Free Hawaii and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General.

Your Committee finds that tobacco products are the leading cause of preventable disease and death. Tobacco companies spend over \$42,000,000 per year on advertising for tobacco products in Hawaii. Retail stores, among others, are given incentives to place

tobacco advertisements and products in locations near cash registers to entice teenagers to experiment with smoking and stimulate impulse purchases.

Your Committee also finds that the World Health Organization has endorsed a ban of retail tobacco product displays as an effective method of reducing tobacco use, and the prohibition of self-service tobacco displays has been adopted or considered in a number of states.

Your Committee heard testimony that this measure may affect the ability of the Tobacco Enforcement Unit of the Department of the Attorney General to ascertain whether cigarettes are properly stamped with tax stamps and whether cigarettes are approved for sale in the State. However, your Committee is confident that the Department of the Attorney General will still be able to carry out its duties and notes that the Department of the Attorney General has been highly capable in enforcing similar issues related to liquor sales. Your Committee also notes that other states with laws placing tobacco products behind the counter have not experienced an adverse tax enforcement impact.

As affirmed by the record of votes of the members of 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. 642 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Solomon). Noes, 1 (Slom). Excused, 1 (Nishihara).

**SCRep. 512 Commerce and Consumer Protection on S.B. No. 972**

The purpose and intent of this measure is to amend the Uniform Controlled Substances Act by:

- (1) Adding definitions of “electronic prescription”, “electronic prescription application”, and “electronic signature” to be consistent with federal law;
- (2) Adding conditions for the transmittal of prescriptions electronically by the practitioner to a pharmacy for schedule II, III, IV, or V controlled substances; and
- (3) Clarifying the prohibited acts involving electronic prescriptions.

Your Committee received testimony in support of this measure from CVS Caremark, Kaiser Permanente, Walgreens, Hawaii Medical Association, and one individual.

Your Committee finds that this measure allows prescribers who are registered and authorized to prescribe controlled substances, to electronically prescribe and electronically convey prescriptions for controlled substances listed in schedules II, III, IV, and V to a pharmacy of the patient’s choice. The electronic conveyance of prescriptions from prescribers to pharmacists provides a safer, more secure, and timely means to prescribe controlled substances in addition to the traditional method of providing the patient with a handwritten prescription.

Your Committee further finds that this measure eliminates or greatly reduces forgeries, lost prescription documents, and illegible handwriting, which contribute to medication errors, wasted time, and increased frustration for patients who need these medicines.

As affirmed by the record of votes of the members of 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. 972 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 513 Ways and Means on S.B. No. 891**

The purpose and intent of this measure is to improve the regulation of notaries by:

- (1) Requiring a notary public to include the notary public’s commission number on the notary public’s stamp or seal; and
- (2) Authorizing the Attorney General, by rulemaking, to adjust fees for the issuance and renewal of the original commission and to establish and adjust other fees.

Your Committee received written comments in support of this measure from the Department of the Attorney General.

Your Committee finds that inclusion of the notary public’s commission number on the notary public’s stamp or seal will serve numerous purposes, including the deterrence of fraudulent use of notary stamps or seals, ascertaining the identity of the notary public, tracking the notary public, and assisting in locating the record books of the notary public. In addition, establishing and adjusting fees through rulemaking will allow the Attorney General to adequately fund the notary public program without having to seek a statutory amendment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 891 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 514 Ways and Means on S.B. No. 1025**

The purpose and intent of this measure is to update the Hula Mae Single Family Mortgage Loan Program law to be consistent with federal law.

Specifically, the measure:

- (1) Allows broader program participation by potential homeowners;
- (2) Adds downpayment assistance as a program feature; and
- (3) Deletes statutory provisions relating to the inactive loans to lenders and purchases of existing loans programs.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Housing Finance and Development Corporation. Your Committee received written comments on this measure from the Hawaii Association of Realtors.

Your Committee finds that affordable housing is still beyond the reach of many families, and not only the indigent and working poor. This measure will promote home ownership by allowing more households to obtain Hula Mae single family home loans.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1025 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 515 Technology and the Arts on S.B. No. 856**

The purpose and intent of this measure is to recognize Fred Korematsu and his commitment to preserving civil liberties by establishing January 30 of each year as "Fred Korematsu Day".

Your Committee received testimony in support of this measure from the American Civil Liberties Union, Hawaii Civil Rights Commission, Japanese American Citizens League, and numerous individuals.

Your Committee finds that Fred Korematsu is an American civil rights hero who refused to comply with Executive Order 9066 that mandated the incarceration of one hundred twenty thousand people of Japanese ancestry in 1942. After he was arrested and convicted for defying the executive order, Mr. Korematsu appealed his case to the United States Supreme Court. The Supreme Court ruled against him and held that the internment of Japanese-Americans was a military necessity.

In 1983, Mr. Korematsu reopened his case, and his conviction was overturned in federal court based on subsequently discovered evidence that the government hid evidence from the Supreme Court which showed that Japanese-Americans did not commit any acts of treason to justify mass evacuation, incarceration, and exclusion. In 1998, Mr. Korematsu was awarded the Presidential Medal of Freedom, the nation's highest civilian honor.

In 2010, California established January 30 of every year as "Fred Korematsu Day of Civil Liberties and the Constitution", making it the first permanent day named after an Asian American in United States history. Similarly, this measure establishes January 30 of every year as "Fred Korematsu Day" to celebrate, honor, and encourage public education and awareness of Fred Korematsu and his commitment to preserving civil liberties.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 856 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 516 Commerce and Consumer Protection on S.B. No. 1106**

The purpose and intent of this measure is to allow a child care program licensed by the United States Department of Defense or the Hawaii Council of Private Schools to be exempt from licensing by the Department of Human Services; provided that the child care program licensed by the Hawaii Council of Private Schools must apply and show evidence that the licensing standards of the Council meet or exceed the licensing standards of the Department of Human Services for a comparable program, including a monitoring component.

Your Committee received testimony in support of this measure from the Department of Human Services and Hawaii Association of Independent Schools. Your Committee received testimony in opposition to this measure from the Hawaii Association for the Education of Young Children.

Your Committee finds that certain child care programs to be exempted under this measure are already licensed or certified by the United States Department of Defense, whose standards exceed the standards of the Department of Human Services.

For those child care programs licensed by the Hawaii Council of Private Schools, your Committee finds that this measure provides adequate protections to ensure that these child care programs meet or exceed the licensing standards of the Department of Human Services.

Your Committee has amended this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members of 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. 1106, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1106, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 517 Ways and Means on S.B. No. 498**

The purpose and intent of this measure is to appropriate funds out of the emergency medical services special fund to establish and fund a Maalaea-based special emergency medical response unit on the island of Maui.

Your Committee received written comments in support of this measure from the Hawaii State Rural Health Association and the Healthcare Association of Hawaii.

Your Committee finds that the population in south and west Maui has grown rapidly in recent years, resulting in a significant increase in calls for emergency medical services. However, there are now only two ambulances that serve the residents of these districts, and it may take over forty-five minutes to reach the hospital if the ambulance is responding from an out-of-district location. Therefore, your Committee finds that funding an additional Maalaea-based special response vehicle will reduce critical response times and improve the chances of a good outcome for injured individuals.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum;
- (2) Changing the effective date from July 1, 2013, to July 1, 2050, to encourage further discussion on the matter; and
- (3) 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. 498, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 498, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 518 Ways and Means on S.B. No. 23**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to Kaiuli Energy, LLC.

More specifically, this measure assists with the financing of the planning, design, and construction of a seawater air conditioning district cooling facility and chilled water distribution system proposed by Kaiuli Energy, LLC.

Your Committee received written comments in support of this measure from the High Technology Development Corporation, Makai Ocean Engineering, Inc., Kaiuli Energy, and Ulupono Initiative.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that Kaiuli Energy, LLC, proposes to build a seawater air conditioning district cooling system to service Waikiki and nearby areas on Oahu using deep cold seawater as a source of cooling. Your Committee finds that the alternative method for cooling air will decrease energy usage in the serviced areas. Accordingly, your Committee finds that it is in the State's interest to assist in the financing of the project.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 23, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 519 Ways and Means on S.B. No. 1100**

The purpose and intent of this measure is to authorize the Department of Human Services to draw from other funds appropriated to the Department to maintain the level of General Assistance benefits payments set at the beginning of each fiscal year for the entire fiscal year.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that the General Assistance Program of the Department of Human Services provides financial assistance to disabled individuals without minor dependents. Because the General Assistance Program is a block grant program involving a fixed amount, assistance levels are determined at the beginning of the fiscal year based on the number of people in the community who require assistance. If the number of General Assistance recipients rises, the amount of assistance per recipient must be reduced.

Your Committee also finds that, in fiscal year 2011-2012, an increase in the Department's General Assistance caseload necessitated an emergency appropriation by the Legislature to prevent a severe reduction in the benefit payment amount afforded to program recipients. In the current fiscal year, a projected rise in the General Assistance caseload has already prompted a reduction in the benefit payment amount. Your Committee further finds that this measure will permit the Department of Human Services to utilize savings from other programs, when necessary, to stabilize payment levels and eliminate the need to request emergency appropriations.

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. 1100, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1100, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 520 Commerce and Consumer Protection on S.B. No. 102**

The purpose and intent of this measure is to require financial institutions to report instances of suspected financial abuse of an elder directly to the appropriate county police department instead of the Department of Human Services.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Bankers Association, Hawaii Credit Union League, and one individual. Your Committee received testimony in opposition to this measure from the Maui Police Department. Your Committee received comments on this measure from the John A. Burns School of Medicine at the University of Hawai'i.

Your Committee finds that elder financial exploitation is a growing problem in Hawaii. Although this measure requires financial institutions to report instances of suspected financial abuse of an elder to the appropriate county police department, your Committee further finds that it will be more efficient and effective to require a dual system of reporting to the Department of Human Services and the appropriate county police department.

Your Committee additionally finds that the Department of Human Services and interested financial institutions have been engaged in ongoing discussions on this measure. Consensus language has been reached by the interested parties, which would require the mandatory reporting of suspected financial abuse of elders by the financial institutions to the Department of Human Services and the appropriate county police departments. Amendments to this measure to incorporate this consensus language are therefore necessary.

Accordingly, your Committee has amended this measure by:

- (1) Requiring suspected financial abuse to be reported to the Department of Human Services in addition to the appropriate county police department;
- (2) Requiring the Department of Human Services to proceed in accordance with chapter 346, Hawaii Revised Statutes, upon notification by a financial institution of suspected financial abuse and a determination of the Department's jurisdiction over the elder;
- (3) Requiring the county police department to proceed with a criminal investigation in a timely manner upon notification by a financial institution of suspected financial abuse; 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. 102, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 102, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 521 Commerce and Consumer Protection on S.B. No. 400**

The purpose and intent of this measure is to require child care facilities, including family child care homes, group child care centers, and group child care homes, and infant and toddler child care centers that care for children one year of age or younger to develop, maintain, and implement safe sleep policies to prevent sudden unexpected infant deaths and sudden infant death syndrome.

Your Committee received testimony in support of this measure from the March of Dimes Foundation and two individuals. Your Committee received testimony in opposition to this measure from the Department of Human Services.

Your Committee finds that sudden unexpected infant death is a broad term that refers to the sudden death of an infant less than one year of age where the specific cause of death is not immediately obvious prior to investigation. Sudden infant death syndrome is the sudden death of an infant less than one year of age where the death cannot be explained even after a thorough investigation. It is the leading cause of death in babies between one month and one year of age and babies between two and four months old are the most vulnerable to sudden infant death syndrome. Your Committee further finds that the American Academy of Pediatrics reports that one in five deaths from sudden infant death syndrome occurs while an infant is in the care of someone other than a parent. This measure ensures that all registered or licensed child care providers in Hawaii will have policies in place to maintain safe sleep environments for infants.

Your Committee has amended this measure by:

- (1) Clarifying that all child care facilities shall implement and maintain a written safe sleep policy in accordance with any rules that may be adopted by the Department of Human Services to implement the provisions of the new section in chapter 346, Hawaii Revised Statutes; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 400, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 400, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 522 Commerce and Consumer Protection on S.B. No. 490**

The purpose and intent of this measure is to require:

- (1) The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and State Board of Nursing to collaborate with the Center for Nursing to enable the Center to obtain nursing-related data;
- (2) The Professional and Vocational Licensing Division to provide the Center for Nursing with various types of information through a memorandum of understanding; and
- (3) The completion of a survey developed by the Center for Nursing as part of the licensure renewal requirements of chapter 457, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawai'i State Center for Nursing, University of Hawai'i at Manoa School of Nursing and Dental Hygiene, University of Hawaii at Hilo School of Nursing, University of Hawai'i Maui College, Healthcare Association of Hawaii, Castle Medical Center, Hawai'i Pacific Health, American Association of Nurse Practitioners, Hawai'i Association of Professional Nurses, and six individuals. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Hawaii State Board of Nursing, and one individual.

Your Committee finds that this measure requires the Hawaii State Board of Nursing and the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to provide nurse license contact information to the Hawaii State Center for Nursing. This will enable the Center for Nursing to contact nurses and obtain workforce data to be used to determine the current and future trends of the nursing workforce. This measure will also ensure that nurses licensed in Hawaii are able to contribute to and receive information on practice and regulatory changes, state and federal initiatives, and nursing research, thus promoting quality nursing care throughout the State.

Your Committee has heard the concerns raised in the testimony regarding nursing-related data, the memorandum of understanding between the Professional and Vocational Licensing Division and the Hawaii State Center for Nursing, and other issues. Your Committee notes that the term "nursing-related data" can be further delineated in the memorandum of understanding. Other concerns raised by the Professional and Vocational Licensing Division can be addressed through the memorandum of understanding, which should also be used to establish additional details relating to the parameters of this measure with the laws applicable to both the Professional and Vocational Licensing Division and the Center for Nursing.

Your Committee is encouraged by the continuing dialogue between the Professional and Vocational Licensing Division, Hawaii State Board of Nursing, and Hawaii State Center for Nursing. Certain amendments to this measure are therefore necessary as a product of the collaborative efforts between these entities.

Accordingly, your Committee has amended this measure by:

- (1) Specifying that a survey developed and deemed necessary by the Center for Nursing shall be requested, rather than required, as part of the license renewal process for nurses;
- (2) Amending certain duties to be included in the memorandum of understanding to be responsibilities of the Center for Nursing, rather than of the Professional and Vocational Licensing Division;
- (3) Removing potentially misleading language that stated the Center for Nursing shall abide by the requirements of chapter 92F, Hawaii Revised Statutes, as the Center for Nursing is already governed by the requirements of this chapter; and
- (4) 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. 490, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 490, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 523 Commerce and Consumer Protection on S.B. No. 506**

The purpose and intent of this measure is to:

- (1) Clarify that licensing authorities shall consider relevant education, training, or service completed by service members;
- (2) Specify which service members are subject to these provisions;
- (3) Permit licensure by endorsement or licensure by reciprocity in certain situations for service members;
- (4) Permit issuance of a temporary license if certain requirements are met; and
- (5) Require the licensing authority to expedite consideration of the application and issuance of a license by endorsement, license by reciprocity, or temporary license to a qualified service member.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 2 of this measure. The proposed S.D. 2 deleted the substantive provisions of this measure and inserted language to:

- (1) Clarify that licensing authorities that consider relevant education, training, or service of a military veteran applicant and determine the applicant meets or exceeds the requirements for licensure in Hawaii shall not then require the applicant to take a national or regional exam;
- (2) Amend the purpose section for clarity; and
- (3) Change the effective date to July 1, 2013.



Your Committee received testimony in support of the proposed S.D. 2 from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs. Your Committee received testimony in opposition to the proposed S.D. 2 from the Hawaii Dental Association, Hawaii Society of Professional Engineers, Hawaii Association of Public Accountants, Hawaii Society of Certified Public Accountants, and thirty-one individuals. Your Committee received comments on the proposed S.D. 2 from the American Institute of Architects.

Your Committee finds that when Act 248, Session Laws of Hawaii 2012 (Act 248), was enacted, the intent was to allow the licensing authorities in Hawaii to consider military education, training, or service that was equivalent to civilian education, training, or service. This proposed S.D. 2 was not intended to circumvent any of the existing licensing standards for the different licensing authorities in the State. Rather, the proposed S.D. 2 is intended to provide additional clarity to Act 248. The proposed S.D. 2 is also intended to demonstrate Hawaii's continuing commitment to the nationwide effort to facilitate military veterans' transition to post-service employment, including those military veterans who are from Hawaii and wish to find post-service employment in their home state.

Your Committee has heard the concerns that the proposed S.D. 2 would exempt certain military veteran applicants from having to take a national or regional exam. Your Committee is aware that examination requirements are specific to each licensing authority and represent a key component of the licensing process for various professions and vocations in the State. Because required examinations are different for each licensing authority, certain statutes and rules specific to each licensing area need to be taken into account. Amendments to this measure are therefore needed to address specific concerns raised in testimony.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 2 and further amending the measure by:

- (1) Clarifying that licensing authorities that consider relevant education, training, or service of a military veteran applicant and determine the applicant meets or exceeds the requirements for licensure in Hawaii shall accept the results of the passage of a national or regional exam accepted by statute or rule in the specific licensing area or the equivalent as determined by the licensing authority;
- (2) Requiring a certificate or other evidence satisfactory to the licensing authority of having passed a national or regional exam or the equivalent to be provided to the licensing authority; and
- (3) Amending the purpose section for 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. 506, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 506, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

**SCRep. 524 Commerce and Consumer Protection on S.B. No. 19**

The purpose and intent of this measure is to:

- (1) Exempt landlords and lessors who install renewable energy systems on their property and provide or sell power generated from the renewable energy system to an electric utility or lessee or tenant from the definition of "public utility"; and
- (2) Require that the rate schedule charged to the lessee or tenant for the power generated by the renewable energy system is fixed by the lease agreement.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Distributed Energy Partners; NAIOP Hawaii; Hawaiian Electric Company, Inc.; Blue Planet Foundation; Sierra Club, Hawai'i Chapter; Hawai'i Association of REALTORS; Forest City Hawaii; Carmel Partners; GSF, LLC; and thirteen individuals. Your Committee received comments on this measure from the Public Utilities Commission.

Your Committee finds that this measure provides an opportunity for renters to be able to benefit from the cost-savings of renewable energy systems, such as solar photovoltaic systems, without having to incur the cost of installing the systems themselves. This measure also provides landlords with investment opportunities that could ultimately benefit landlords and tenants.

Your Committee has heard the concerns that this measure may introduce the potential for wheeling energy. In situations where a landlord or lessor is located on the same or contiguous property, but is separately metered from the tenants to the electric utility's system, the utility would be required to wheel electrical energy between the landlord or lessor and the tenant through the utilities distribution system. Because wheeling is a complex process that raises many issues, amendments to this measure are necessary.

Your Committee has also heard the concerns that tenants and lessees who may not have bargaining power equal to that of landlords and lessors may not receive the appropriate cost-savings benefits contemplated by this measure. Amendments to this measure are therefore necessary to ensure adequate protection for tenants and lessees.

Accordingly, your Committee has amended this measure by:

- (1) Addressing the potential problems of wheeling energy by requiring renewable energy systems to be limited to properties where the owner or lessor and the tenant are served by the same utility meter and service connections;
- (2) Specifying that tenants and lessees shall not be required to pay their respective landlords or lessors an amount that exceeds the rate charged by the electric utility; and

- (3) Specifying that any disputes over the rate schedule charged to the lessee or tenant for the power generated by the renewable energy system shall be resolved pursuant to the provisions of the lease agreement or chapter 521, Hawaii Revised Statutes, as applicable.

As affirmed by the record of votes of the members of 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. 19, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 19, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

**SCRep. 525 (Majority) Commerce and Consumer Protection on S.B. No. 652**

The purpose and intent of this measure is to:

- (1) Restrict the placement of and advertisements for cigarettes and tobacco products, with certain exceptions;
- (2) Include electronic cigarettes under the definition of “tobacco” and “tobacco products”; and
- (3) Prohibit the sale of electronic cigarettes to minor and the purchase of electronic cigarettes by minors.

Your Committee received testimony in support of this measure from the Coalition for a Tobacco-Free Hawai‘i and thirty-five individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General and three individuals. Your Committee received comments on this measure from the Department of Health and one individual.

Your Committee finds that smoking and tobacco use remain Hawaii’s and the nation’s leading cause of preventable morbidity and mortality. Tobacco companies spend millions of dollars each year in Hawaii on advertising, marketing, and promotions to attract “replacement smokers.” Every year, approximately 1,500 Hawaii youth become new daily smokers.

Your Committee further finds that tobacco products are usually located on the counter at the point of sale in most convenience stores, where they are easily accessible. Research has shown that preventing the display of tobacco products leads to a decrease in the number of children and youth experimenting with and becoming addicted to tobacco products.

Your Committee has heard the concerns that there are potential constitutional issues associated with the advertising placement restrictions in this measure. Your Committee concludes that a task force should be convened to explore these issues and other concerns related to advertising and placement of cigarettes and other tobacco products. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that would have restricted the placement of and advertisements for cigarettes and tobacco products, with certain exceptions;
- (2) Specifying that it shall be unlawful to sell or furnish tobacco in any shape or form, including chewing tobacco, snuff, and electronic cigarettes, to a minor under eighteen years of age;
- (3) Requiring the Department of Health to convene the Smoking Prevention Among Children and Youth Task Force to develop potential legislation that addresses concerns related to advertising and product placement promoting or encouraging the purchase or use of cigarettes or other tobacco products by children and youth;
- (4) Requiring the Smoking Prevention Among Children and Youth Task Force to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (5) Amending the purpose section for clarity; 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. 652, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 652, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Solomon). Noes, 1 (Slom). Excused, 2 (Nishihara, Taniguchi).

**SCRep. 526 Commerce and Consumer Protection on S.B. No. 914**

The purpose and intent of this measure is to authorize the Governor to appoint commissioners of deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to a timeshare interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within the State.

Your Committee received testimony in support of this measure from Disney Vacation Development, Inc.; SVO Pacific, Inc.; Wyndham Vacation Ownership; and American Resort Development Association – Hawaii.

Your Committee finds that deeds of timeshare interests in Hawaii timeshare plans must be notarized in order to be recordable. Although this is not typically a problem for deeds signed in Hawaii or in other states, it can pose a problem in jurisdictions outside of the United States in which notaries public are not common. Furthermore, the existing process for recordation of deeds signed outside the United States is cumbersome and can be expensive.

This measure helps streamline the process for consumers who are located abroad and wish to purchase a time share property in Hawaii by authorizing the Governor to appoint commissioners of deeds. This measure permits a commissioner of deeds to take acknowledgements and proofs of execution of a consumer's signature on all necessary paperwork and enables the document to be properly recorded in accordance with Hawaii law. This will facilitate the sale of timeshare units located in Hawaii and benefit Hawaii properties and businesses.

Your Committee has received language from the time share industry that offers greater consumer protection, including notice requirements, bonding, and liability issues. Your Committee concludes that amendments to this measure are necessary to incorporate these consumer protections.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the new chapter on time share commissioners of deeds shall not be construed as repealing or amending chapter 502, Hawaii Revised Statutes;
- (2) Requiring a commissioner of deeds to provide consumers a written notice informing consumers they may have rights under Hawaii law; and allowing the Lieutenant Governor to establish penalties by rule for failure of a commissioner to provide written notice;
- (3) Establishing bonding requirements for commissioners of deeds;
- (4) Specifying liabilities and limitations on liabilities for commissioners of deeds; 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. 914, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 914, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

**SCRep. 527 Commerce and Consumer Protection on S.B. No. 1209**

The purpose and intent of this measure is to authorize the Director of Transportation, upon application, to issue a written permit authorizing an applicant to vend in the airspace above a state highway.

Your Committee received testimony in support of this measure from the Department of Transportation and one individual.

Your Committee finds that this measure specifically addresses the types of vending activities that are prohibited on state highways. This measure authorizes the Director of Transportation to make exceptions to section 264-101, Hawaii Revised Statutes, for certain activities within the interstate airspace pursuant to a written permit, subject to terms and conditions that are in the best interest of the State. This measure also ensures that legal provisions in the enforcement against unauthorized vending activities are consistent with certain county ordinances.

As affirmed by the record of votes of the members of 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. 1209, 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 (Solomon, Taniguchi, Slom).

**SCRep. 528 Judiciary and Labor on S.B. No. 4**

The purpose and intent of this measure is to require all front and back seat passengers to be restrained by a seat belt assembly or child passenger restraint while the motor vehicle is being operated upon any public highway.

Your Committee received testimony in support of this measure from the Department of Health; Department of Transportation; Police Department, City and County of Honolulu; Police Department, County of Maui; Mothers Against Drunk Driving Hawaii; State Farm Mutual Automobile Insurance Company; and eight individuals. Testimony in opposition to this measure was submitted by two individuals.

Your Committee finds that there is a need for all motor vehicle occupants to be restrained by a seat belt or child passenger restraint while riding in a motor vehicle being operated on any public roadway. Existing law requires passengers up to age seventeen to wear seat belts in the back seat. According to the National Highway Traffic Safety Administration, seat belt restraints for all occupants increase the safety of all motor vehicle occupants by as much as forty-five percent. Seat belts are one of the most effective safety features and have saved the lives of thousands of motor vehicle occupants.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 4 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 529 Judiciary and Labor on S.B. No. 442**

The purpose and intent of this measure is to:

- (1) Amend the misdemeanor offense of promoting intoxicating liquor to a person under twenty-one years of age to apply to person who recklessly, rather than knowingly, commits the offense; and

- (2) Apply the offense to liquor licensees who provide liquor to any minor or allow a minor to consume liquor.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, County of Maui; Police Department, County of Maui; Department of the Prosecuting Attorney, City and County of Honolulu; Office of the Prosecuting Attorney, County of Kaua'i; Liquor Commission, City and County of Honolulu; and Police Department, City and County of Honolulu. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that this measure will change the level of intent to satisfy the elements of this law from knowingly to recklessly. Your Committee believes that this measure will help increase compliance with the law by necessitating identification checks, at minimum, for those that hold liquor licenses as well as hold accountable those persons who allow or influence the sale, possession, or consumption of alcohol to a person under the age of twenty-one.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 442, 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 (Gabbard, Ihara).

**SCRep. 530      Judiciary and Labor on S.B. No. 453**

The purpose and intent of this measure is to propose an amendment to article X, section 6, of the Hawaii State Constitution to repeal the requirement that the Governor make appointments to the Board of Regents of the University of Hawaii from pools of qualified candidates presented to the Governor by the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Candidate Advisory Council).

Your Committee received testimony in support of this measure from the Policy Office of the Governor. Testimony in opposition to this measure was submitted by the University of Hawaii Regents Candidate Advisory Council.

Your Committee finds that it has become clear that the Governor will not be able to adequately select nominees to the Board of Regents unless the Governor has more control and involvement in the recruitment and selection process. Your Committee believes that it is appropriate to reassess and seriously consider repealing the Candidate Advisory Council. This measure will allow voters to consider whether the Candidate Advisory Council should no longer be constitutionally mandated and authorize the Governor to make appointments as provided 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. 453 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 531      Judiciary and Labor on S.B. No. 1179**

The purpose and intent of this measure is to modify existing law relating to court orders to provide medical treatment for inmates and detainees in correctional facilities. Specifically, this measure:

- (1) Adds definitions of "danger of physical harm to others" and "danger of physical harm to self";
- (2) Provides for the filing of a petition for involuntary medical treatment in either the district or circuit court;
- (3) Allows for a declaration to be filed with the petition as an alternative to an affidavit;
- (4) Changes the time within which a person must be examined from two to five days prior to the filing of a petition;
- (5) Amends the list of persons who are required to be notified of the hearing on the petition;
- (6) Expands the court's ability to continue the hearing on the petition for good cause;
- (7) Provides the court greater flexibility in determining when a guardian ad litem is necessary; and
- (8) Clarifies the effective expiration date of the order for persons who return to custody after release.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of the Attorney General.

Your Committee finds that this measure allows for a more efficient and responsive court process, enabling medical staff in various correctional facilities to provide critical and necessary medical treatment in a more timely fashion. This measure will help to improve the mental and physical status of inmates. Furthermore, this measure expedites the notification process by restricting notification to those parties whom the inmate has designated as an emergency contact or legal guardian while in the custody of the Department of Public Safety.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1179, 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. 532      Judiciary and Labor on S.B. No. 8**

The purpose and intent of this measure is to:

- (1) Prohibit the owner of a pet animal and the owner's employees from performing any surgical procedure, including but not limited to surgical birth, ear cropping, tail docking, dewclaw removal, and debarking on the pet animal without being licensed as a veterinarian;
- (2) Establish that intentionally or knowingly performing any surgical procedure, including but not limited to surgical birth, ear cropping, tail docking, dewclaw removal, and debarking, on a pet animal by any person not licensed as a veterinarian is a class C felony; and
- (3) Specify that accepted veterinary practices and cropping or docking as customarily practiced shall not be considered cruelty to animals in the first degree if performed by a veterinarian licensed under chapter 471, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaiian Humane Society, The Humane Society of the United States, Hawaii Veterinary Medical Association, West Hawaii Humane Society, and fifty-seven individuals. Testimony in opposition to this measure was submitted by eight individuals. Your Committee received comments on this measure from the Board of Veterinary Examiners; Last Resort Dog Rescue, LLC; and two individuals.

Your Committee finds that surgical procedures, including surgical birth, ear cropping, tail docking, dewclaw removal, and debarking, are extremely painful to a pet animal if performed improperly by someone other than a licensed veterinarian. Serious infection, shock, and even death of a pet animal can result when these procedures are performed by non-veterinarians.

Your Committee further finds that pet animals that undergo these surgical procedures require proper pre- and post-operative care and anesthesia to reduce complications, blood loss, and distress. This measure therefore promotes the humane treatment of pet animals by ensuring that pet animals undergoing surgical procedures will do so under the care of an appropriately licensed veterinarian.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 8, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 533      Judiciary and Labor on S.B. No. 1180**

The purpose and intent of this measure is to require the Department of Public Safety to:

- (1) Make certain considerations when determining whether a substance should be emergency scheduled; and
- (2) Post a public notice at the State Capitol, in the Office of the Lieutenant Governor, and on the Department's website thirty days prior to the effective date of any emergency scheduling of a substance.

Your Committee received testimony in support of this measure from the Department of Public Safety and Department of the Attorney General.

Your Committee finds that section 329-11(e), Hawaii Revised Statutes, permits the Administrator of the Narcotics Enforcement Division of the Department of Public Safety (NED) to place new drugs into the controlled substances schedules on an emergency basis but does not presently contain clear notice provisions. The emergency scheduling provision is important because it allows law enforcement to combat new "designer" drugs that are constantly being created in order to skirt the Uniform Controlled Substances Act.

This measure will require the NED Administrator to provide thirty days' notice to the public before emergency scheduling goes into effect and clarify where notice is to be posted. The measure also clarifies which factors the Administrator must consider in determining whether to add certain drugs to the controlled substance schedules via the emergency scheduling process. These amendments are necessary to address legal requirements of notice, due process, and delegation powers.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1180 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 534      Education on Gov. Msg. Nos. 615, 616, and 617**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I TEACHER STANDARDS BOARD

- G.M. No. 615    LOUISE CAYETANO, for a term to expire 6-30-2016;  
G.M. No. 616    JUSTIN MEW, for a term to expire 6-30-2016; and  
G.M. No. 617    FELICIA VILLALOBOS, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Louise Cayetano, Justin Mew, and Felicia Villalobos to possess the requisite qualifications to be nominated to the Hawai'i Teacher Standards Board.

LOUISE CAYETANO

Your Committee received testimony in support of the nomination of Louise Cayetano from the Governor, Hawaii State Teachers Association, and five individuals.

Ms. Cayetano attended the University of Hawai'i at Manoa and Central Washington State University. She is currently a fifth grade teacher at Mayor Joseph J. Fern Elementary School in Honolulu. Ms. Cayetano previously taught at Leihoku Elementary School and Lanakila Elementary School.

Ms. Cayetano has served as a member of the Hawaii Science Teachers Association and the Executive Board of the Hawaii State Teachers Association. She has also served as a board member of the Alliance for Drama Education and is a member of the Hawaii Epsilon Chapter of Alpha Delta Kappa.

Ms. Cayetano has been successful in working with the University of Hawaii to earn Fern Elementary the technological tools, such as videoconferencing equipment, to allow her students to form partnerships with schools in Samoa and Japan. Ms. Cayetano was also instrumental in bringing the Asian, European, Pacific Language foreign language program to Fern Elementary. Ms. Cayetano is constantly looking for ways to provide her students with broader educational opportunities.

Ms. Cayetano currently serves as a member of the Hawai'i Teacher Standards Board.

Ms. Cayetano expressed to your Committee that she wishes to continue serving on the Hawai'i Teacher Standards Board because she believes that all students deserve highly qualified teachers who can provide them with the necessary skills to become productive citizens.

Ms. Cayetano expressed to your Committee that it is important that the Board foster more connectivity with teachers in smaller communities and rural areas.

#### JUSTIN MEW

Your Committee received testimony in support of the nomination of Justin Mew from the Governor and seven 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 Hawai'i.

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. In 2012, Mr. Mew was named Educator of the Year by Hawaii Smart Business.

Mr. Mew is a current member of the Hawai'i Teacher Standards Board and provides the Hawai'i 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.

As a current member of the Hawai'i Teacher Standards Board, Mr. Mew has been integral in helping to develop the Hawaii Teacher Standards Board's strategic plan for 2011-2015.

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 Hawai'i Teacher Standards Board to include establishing strong licensure standards and policies, prepare teachers for licensing, and screening out those who do not meet the standards.

Your Committee believes that Mr. Mew will continue to bring valuable experience, knowledge, and leadership to the Hawai'i Teacher Standards Board.

#### FELICIA VILLALOBOS

Your Committee received testimony in support of the nomination of Felicia Villalobos from the Governor, Hawaii State Teachers Association, and six individual.

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 Hawai'i at Manoa.

Ms. Villalobos has served as an elementary school teacher for the past ten years and is currently a first grade teacher at Wilcox Elementary on the Island of Kaua'i.

Ms. Villalobos also serves as a mentor to student teachers at the University of Hawai'i at Manoa and is a Hawaii delegate to the National Education Association.

Ms. Villalobos testified that as a member of the Hawai'i Teacher Standards Board, she has helped to facilitate a stronger line of communication between the Board and teachers on Kaua'i, where Ms. Villalobos resides. Most recently, Ms. Villalobos has worked with the Homegrown Teacher Program on Kaua'i to inform new teachers on the island of the role of the Hawai'i Teacher Standards Board and teacher licensing requirements.

Your Committee finds that Ms. Villalobos' commitment and passion for education continue to make her an outstanding asset to the Hawai'i 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, 1 (Ruderman).

**SCRep. 535      Judiciary and Labor on S.B. No. 960**

The purpose and intent of this measure is to establish a notice of postponement or cancellation of sale requirement under part IA, chapter 667, Hawaii Revised Statutes, relating to judicial foreclosures.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Community Associations Institute Hawaii Chapter, and one individual.

Your Committee finds that pursuant to Act 48, Session Laws of Hawaii 2011, the foreclosing mortgagee in a nonjudicial foreclosure is legally required to provide notice of the postponement or cancellation of the public sale to specific persons. It is prohibited conduct for a foreclosing mortgagee to fail to notify identified persons and entities of the postponement or cancellation of a nonjudicial foreclosure sale. Although the protections relating to the postponement or cancellation of sale apply to nonjudicial foreclosures, there is not a similar requirement for judicial foreclosures under part IA, chapter 667, Hawaii Revised Statutes. This measure applies the existing protections for nonjudicial foreclosures to mortgagors and borrowers involved in the judicial foreclosure process.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 960, 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. 536      Judiciary and Labor on S.B. No. 1183**

The purpose and intent of this measure is to:

- (1) Require intake service centers to provide pretrial bail reports to the courts on adult offenders that are consented to by the defendant or that are ordered by the court;
- (2) Provide statutory authority to the courts to treat information contained in the pretrial bail reports as confidential; and
- (3) Repeal the intake service centers' duty to assist in the conduct of presentence assessments on adult offenders and the preparation of presentence reports when requested by the courts.

Your Committee received testimony in support of this measure from the Department of Public Safety.

Your Committee finds that this measure provides clear language identifying the intake service centers' core responsibility in providing bail reports to the court. This measure will allow courts to receive detailed information, such as the defendant's medical, mental health, and substance abuse history, to assist with pretrial release decision-making. This measure will also protect defendants from having the confidential information contained in these reports made public, thereby exposing them to potential identity theft.

Your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the Department of Public Safety to delete language relating to pretrial assessment on adult offenders that are consented to by the defendant or that are ordered by the court under section 353-10(a)(3)(A), Hawaii Revised Statutes;
- (2) Adding an amendment to section 14 of Act 139, Session Laws of Hawaii 2012, to change the form of section 353-10, Hawaii Revised Statutes, among other sections, that will be effective upon reenactment of that section pursuant to section 14 of Act 139, Session Laws of Hawaii 2012;
- (3) Adding language to ensure that the amendments made to section 353-10, Hawaii Revised Statutes, by this measure will not be repealed on July 1, 2018, pursuant to section 14 of Act 139, Session Laws of Hawaii 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1183, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1183, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 537      Judiciary and Labor on S.B. No. 341**

The purpose and intent of this measure is to:

- (1) Determine the priority of the persons who may direct the disposition of a decedent's remains and the arrangements for funeral goods and services;
- (2) Permit funeral establishments, cemeteries, mortuaries, and crematories to rely and act upon written directions from the decedent or persons who have the right of disposition without liability, with certain exceptions; and
- (3) Permit funeral establishments, cemeteries, mortuaries, and crematories to control the disposition and dispose of a decedent's remains in certain circumstances.

Your Committee received testimony in support of this measure from the Mililani Group, Inc.; Leeward Funeral Home; Oahu Cemetery Association; Hawaii Funeral and Cemetery Association, Inc.; Hawaiian Memorial Life Plan, Ltd.; Hosoi Garden Mortuary, Inc.; Hawaii Association for Justice; and one individual.

Your Committee finds that funeral establishments, cemeteries, mortuaries, and crematories are often approached by persons who had a relationship to a decedent and who wish to direct or assist with the disposition of the decedent's remains. In a best case scenario, the decedent's wishes regarding disposition are indicated in a written instrument, the establishments have a record of the decedent's wishes, and there is no contrary wish of any surviving person. However, in some situations, the decedent may not have provided written directions for disposition or there may be a dispute amongst the decedent's survivors over the decedent's wishes.

Your Committee further finds that forty-eight states have enacted legislation that specifies the priority of persons who may control the disposition of a decedent's remains or the arrangements for funeral goods and services. This measure permits Hawaii to join these other states by clearly establishing the priority of the persons who may control the disposition of a decedent's remains and the arrangements for funeral goods and services, and providing certainty for funeral establishments, cemeteries, mortuaries, and crematories to take direction from these persons and promptly provide needed services.

Your Committee has amended this measure by:

- (1) Clarifying that immunity from civil and criminal liability applies only to establishments or persons who reasonably rely in good faith upon the instructions of an individual claiming the right of disposition; and
- (2) Deleting language that specifies that the immunity does not apply to gross negligence or intentional, willful, or wanton conduct.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 341, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 341, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 538 Commerce and Consumer Protection on S.B. No. 512**

The purpose and intent of this measure is to provide an exception to the licensing requirements for electrical contractors in situations when an electric utility must hire contractors licensed in another state to assist with high voltage work.

Your Committee received testimony in support of this measure from the Hawaiian Electric Company, Inc. Your Committee received testimony in opposition to this measure from the Contractors License Board; Board of Electricians and Plumbers; International Brotherhood of Electrical Workers, Local Union 1186; and Hawaii Building and Construction Trades Council, AFL-CIO.

Your Committee finds that most in-state electrical workers are only experienced in low voltage work that is common in most homes and commercial buildings. High voltage work requires additional skills, training, tools, and equipment. Your Committee further finds that in an emergency situation, an electric utility may need to contract with qualified out-of-state high voltage workers to safely assist the utility with activities including storm restoration, complex maintenance, and repair work.

Your Committee has heard the concerns that this measure, as introduced, exempts out-of-state electrical contractors from chapter 448E, Hawaii Revised Statutes, at any time. Your Committee additionally finds that amendments to this measure are necessary to provide a very narrow exemption to the licensing requirements for specific individuals in situations where an electric utility must contract with qualified out-of-state individuals to work with high voltage.

Your Committee understands that the International Brotherhood of Electrical Workers, Local Union 1186, is beginning an apprenticeship program for high voltage work, which should alleviate the need to contract with out-of-state workers trained in high voltage. Your Committee concludes that a sunset provision for this measure is necessary. The sunset provision will allow an electric utility to contract with qualified out-of-state high voltage workers in emergency situations until in-state workers are appropriately trained through a high voltage apprenticeship program.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have provided an exception for electrical contractors retained by a public utility to perform high voltage electrical work, including emergency repair or maintenance work, from the licensing requirements of chapter 448E, Hawaii Revised Statutes, and section 444-9.5, Hawaii Revised Statutes;
- (2) Inserting language that provides a limited exemption to the licensing requirements for certain individuals in situations where an electric utility must contract with qualified individuals to work with high voltage (six hundred volts or higher) who are not licensed in Hawaii but are deemed qualified and authorized to perform high voltage work by another jurisdiction in the United States;
- (3) Amending the purpose section for clarity;
- (4) Amending its effective date to include a repeal date of June 30, 2018; 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. 512, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 512, 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 (Nishihara, Slom).



**SCRep. 539 (Joint) Commerce and Consumer Protection and Judiciary and Labor on S.B. No. 1265**

The purpose and intent of this measure is to exempt an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim from the application of the entire section 523A-25, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Collection Law Section of the Hawaii State Bar Association.

Your Committees find that Act 229, Session Laws of Hawaii 2012, limited compensation for the recovery of property presumed abandoned to ten percent of the total value of the property. Your Committees further find that the majority of property held by the Department of Budget and Finance is valued at less than \$5,000. If any difficulties are encountered when attempting to release property from the Department of Budget and Finance, the cost to hire an attorney will increase beyond the ten percent limit in all but the largest of cases. The ten percent limit on compensation for recovery therefore creates a barrier for members of the public who wish to hire an attorney to assist with the recovery of unclaimed funds or property.

Your Committees understand that there are valid reasons for establishing a maximum ten percent fee structure for professional unclaimed property locators. Your Committees also understand the potential barriers to the public that result from extending the ten percent limit on compensation to attorneys. However, your Committees believe that it is more appropriate to increase the limit on compensation for attorneys to twenty-five percent of the total value of the property, rather than completely removing the limit on compensation. Amendments to this measure are therefore necessary to ensure that members of the public are still able to retain attorneys to handle the claims process, while also ensuring that attorneys' fees for this process remain at reasonable levels.

Accordingly, your Committees have amended this measure by:

- (1) Specifying that an owner's agreement with an attorney to file a claim or contest the denial of a claim and that provides for compensation shall not exceed twenty-five percent of the total value of the property; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

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. 1265, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1265, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

Judiciary and Labor  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 540 (Joint) Human Services and Public Safety, Intergovernmental and Military Affairs on S.B. No. 88**

The purpose and intent of this measure is to:

- (1) Prohibit possessing or keeping any bottle, can, or other receptacle containing any intoxicating liquor that has been opened, has a broken seal, or the contents of which have been partially removed while on any sidewalk or common area within a public housing project; and
- (2) Add "state low-income housing project" to the definition of public housing project for purposes of liquor control.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority and one individual.

Your Committees find that state law prohibits the consumption of intoxicating liquors on public sidewalks, including any sidewalk within a public housing project as defined in sections 356D-1 and 356D-91, Hawaii Revised Statutes, and in common areas of public housing projects. However, this prohibition can be difficult to enforce since it is limited by the word "consumption", requiring that either a law enforcement officer visibly observe a perpetrator in the action of imbibing intoxicating liquor or a witness be willing to testify to visibly observing a perpetrator in the action of imbibing intoxicating liquor. By broadening the prohibition to possession of open intoxicating liquor containers, the requirement of physically observing a perpetrator in the act of imbibing in order to support prosecution is removed, making violations easier to report and enforce.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Human Services and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 88, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 88, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Baker).

**SCRep. 541      Judiciary and Labor on S.B. No. 223**

The purpose and intent of this measure is to allow voters to vote for declared candidates other than those listed on the preprinted ballot through a write-in voting procedure.

Prior to the hearing on this measure, your Committee posted a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and inserting language to:

- (1) Clarify that the chairperson of a political party, and not an officer of the party, may make an objection to the validity of nomination papers;
- (2) Require the publication on state or county websites of a list of all candidates within twenty-four hours of the close of the filing deadline for nomination papers;
- (3) Establish requirements for notice to the candidate of any objections and withdrawal of objections;
- (4) Establish that an objection is not subject to judicial review or review by an election officer and that a candidate may run as an independent candidate if the objection is not withdrawn; and
- (5) Delete the requirement for a political party to file a complaint in circuit court for prompt determination of an objection regarding a candidate who is not a member of that political party.

Your Committee received testimony in support of the proposed S.D. 1 from the Democratic Party of Hawaii, Gay, Lesbian, Bisexual and Transgender Caucus of the Democratic Party of Hawaii, and one individual. Testimony in opposition to this measure was submitted by the Department of the Attorney General. The Office of Elections and Office of the County Clerk, County of Kauai submitted comments on this measure.

Your Committee finds that under existing law, if an officer of a political party objects to a candidate because the candidate is not a member of the party pursuant to that party's rules, an officer of that party is required to file a complaint in circuit court for a judge to render a decision on the objection. The Democratic Party of Hawaii testified that during the previous two general election periods, the party encountered several situations where candidates' affiliation or eligibility as bona fide registered members of the Democratic Party were questionable or deemed unqualified in accordance with the constitution and bylaws of the Democratic Party. The Chairperson of the Democratic Party of Hawaii testified that seeking court action on these matters as required by law is expensive and time consuming. Thus, the Party decided not to seek court action regarding their objection to these candidates. The Chairperson added that the required court action does not authorize the award of attorney's fees and costs to the prevailing party, which would offset the costs for filing an objection with the circuit court. This proposed S.D. 1 will help to ensure partisan candidates for public offices are eligible and supported by their respective political parties without incurring legal expenses and delays caused by a mandated court action.

Your Committee notes the following comments and concerns submitted by the Office of Elections and Department of the Attorney General regarding the proposed S.D. 1. First, the Office of Elections testified that the proposed deadline of seven business days for a political party chairperson to file an objection and the additional fourteen calendar days to decide if the objection will be withdrawn does not permit the Office of Elections sufficient time to meet its obligations to print and mail out ballots in a timely manner to military and overseas voters as well as in-state voters. The Office of Elections requested that the time provisions be reduced to seven calendar days for the objection to be made by the political party chairperson and the decision to withdraw the objection be made within seven calendar days of the date of the initial objection. Furthermore, the Office requested that the political party chairperson be required to immediately send by electronic transmission the notice of objection or withdrawal of objection directly to the Office of Elections.

Second, the Office of Elections indicated in its testimony that the proposed S.D. 1 appeared to automatically allow a candidate to be an independent candidate. The Department of the Attorney General testified that it is unclear whether this means that a candidate may run as an independent party candidate or as a candidate for any other political party of the candidate's choosing. If it means that the candidate may only run as an independent party candidate, the Department indicated that this proposed S.D. 1 may violate the First Amendment right to free association and therefore be unconstitutional.

Lastly, the Office of Elections and Department of the Attorney General testified regarding their concerns of lack of judicial review or review by an election officer when a political party files an objection.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by:

- (1) Deleting the deadline of seven business days for a political party chairperson to file an objection and then an additional fourteen calendar days to decide if the objection will be withdrawn and inserting language that:
  - (A) Requires the objection by the political party chairperson to be made within seven calendar days and the decision to withdraw the objection to be made within seven calendar days of the date of the initial objection; and
  - (B) Requires the political party chairperson to immediately send by electronic transmission the notice of objection or withdrawal of objection directly to the Chief Election Officer or county clerk;
- (2) Requiring that the objection be subject to judicial review or review by the Chief Election Officer;
- (3) Deleting the language that allows a candidate to run as an independent candidate;
- (4) Allowing the prevailing party in a judicial review of the objection to be entitled to attorney's fees and costs; and
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 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 (Shimabukuro).

**SCRep. 542      Judiciary and Labor on S.B. No. 853**

The purpose and intent of this measure is to specify that the Elections Commission is responsible for providing oversight of the Chief Election Officer.

Your Committee received testimony in support of this measure from Common Cause Hawaii and one individual. The Office of the County Clerk, County of Kauai and Office of the County Clerk, County of Maui submitted comments.

Your Committee finds that existing law allows the Elections Commission to hire and advise the Chief Election Officer but does not empower the Commission to take disciplinary action toward the Chief Election Officer, if necessary. This measure specifies that the Elections Commission is responsible for providing oversight of the Chief Election Officer.

Your Committee supports the intent of this measure but questions whether specifying that the Commission is responsible for oversight of the Chief Election Officer is duplicative of the Commission's responsibility to advise the Chief Election Officer.

Accordingly, your Committee has amended this measure by deleting the language that specifies that the Elections Commission is responsible for providing oversight of the Chief Election Officer and replacing it with language that requires the Commission to conduct a performance evaluation of the Chief Election Officer after each election and submit a written report of the evaluation to the Legislature within ninety days of the certification of the election results.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 853, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 853, 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 (Shimabukuro).

**SCRep. 543      Judiciary and Labor on S.B. No. 858**

The purpose and intent of this measure is to clarify the Legislature's intent that no board or commission member who has failed to receive the advice and consent of the Senate shall continue in office as a holdover member.

Your Committee received testimony in support of this measure from the Sierra Club and two individuals. The Department of the Attorney General submitted comments on this measure.

Your Committee finds that existing law provides that no person shall be appointed consecutively to more than two terms as a member of the same board or commission, provided that membership on any board or commission must not exceed eight consecutive years. This measure clarifies that it is the Legislature's intent that no person who has failed to receive the advice and consent of the Senate shall continue in office as a holdover member.

Your Committee notes the concerns raised by the Department of the Attorney General that the language in this measure could leave a board without its full complement of members for the balance of the legislative session during which a holdover member's confirmation is rejected.

Your Committee has amended this measure by:

- (1) Adopting the language proposed by the Department of the Attorney General that allows a person whose reappointment to a second consecutive term fails to receive the consent of the Senate to continue in office as a holdover member only until the Senate adjourns sine die;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 858, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 858, 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. 544      Judiciary and Labor on S.B. No. 827**

The purpose and intent of this measure is to provide adequate safeguards to preserve the integrity of ballots to ensure fairness to all voters and minimize the opportunity for fraud. Specifically, this measure prohibits any candidate from physically handling or possessing the voter registration form, voter ballot, or absentee ballot of another voter before or during the election.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii, IMUAlliance, and two individuals. The Office of Elections and Office of the County Clerk, County of Kauai submitted comments on this measure.

This measure makes it a misdemeanor for a candidate to physically handle or possess the voter registration form, voter ballot, or absentee ballot of another person. Your Committee notes that the Office of Elections raised questions regarding the nuances of what constitutes a violation under this measure. Your Committee clarifies that the conduct prohibited under this measure only applies to candidates and should not be interpreted to include campaign workers, political parties, or other organizations or individuals who may support a candidate. Your Committee believes that such a broad interpretation would unnecessarily inhibit individuals or groups from

providing assistance to voters and could serve as an unintended barrier for voters from obtaining the assistance they require to participate in the electoral system.

Your Committee has amended this measure by:

- (1) Adding a request for absentee ballot form to the list of items that a candidate is prohibited from physically handling or possessing;
- (2) Substituting the term “voter ballot” with “polling place ballot” to appropriately distinguish this item from an absentee ballot; and
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 827, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 827, 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. 545 (Joint) Agriculture and Health and Commerce and Consumer Protection on S.B. No. 482**

The purpose and intent of this measure is to encourage beekeeping operations in the State by exempting home-based agricultural producers of honey from processing honey in a certified honey house or food processing establishment, or be required to obtain a permit from the Department of Health, if the producer, among other things:

- (1) Sells less than five hundred, rather than fifty, gallons of honey a year;
- (2) Sells the honey directly to a retail store that sells the honey directly to consumers; and
- (3) Labels each container with the statement, “Honey should not be consumed by infants under one year of age”.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Health, Big Island Beekeepers Association, Hawaii Farm Bureau Federation, and nineteen individuals. Your Committees received testimony in opposition to this measure from the Hawaii Beekeepers’ Association and two individuals. Your Committees received comments on this measure from two individuals.

Your Committees find that honeybees, as a primary pollinator of food crops, have a significant impact on agriculture in Hawaii. Hawaii’s annual Farm Gate Sales from bee-pollinated crops is valued at \$212,800,000. Unfortunately, vital honeybee populations are declining at a rapid rate due to the arrival of varroa mites, nosema, and small hive beetles. Your Committees further find that small and large beekeeper operations are responsible for millions of healthy, pollinating bees throughout the State. Small beekeepers, however, experience significant barriers to beekeeping due to administrative and bureaucratic requirements. Your Committees conclude that this measure is needed to sustain small beekeeping operations to ensure an adequate supply of honeybees throughout the State.

The Department of Health requested that this measure be amended to, among other things, require honey producers to attend a Department of Health approved food safety workshop. At the hearing, your Committees received assurances from the Department of Health that food safety workshops, already taking place, will continue to take place on each island, including Molokai and Lanai, at no charge to honey producers.

Accordingly, your Committees have amended this measure by:

- (1) Requiring those honey producers seeking an exemption from honey processing requirements to attend a Department of Health approved food safety workshop and pass the food safety certification exam;
- (2) Requiring those honey producers seeking an exemption from honey processing requirements to keep honey production volume and honey product distribution records for at least two years, and to make these records available to the Department of Health; 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 Agriculture, 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. 482, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 482, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Thielen).

Health

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 546 (Joint) Health and Education on S.B. No. 1138**

The purpose and intent of this measure is to authorize the Department of Health to adopt, amend, or repeal rules to establish a list of specific vaccines and to adopt, amend, or repeal, as rules, the immunization recommendations of the United States Department of Health and Human Services, Advisory Committee on Immunization Practices, as they apply to the list of specific vaccines, ensuring that immunizations required, and the manner and frequency of their administration, conform with currently recognized standard medical practices.

Your Committees received testimony in support of this measure from the Department of Health, Hawaii Medical Association, Hawaii Academy of Physician Assistants, Walgreens, National Council of Asian Pacific Islander Physicians, and Hawaii Immunization Coalition. Your Committees received testimony in opposition to this measure from two individuals.

Your Committees find that according to the Centers for Disease Control and Prevention, vaccines are a safe, efficient, and cost-effective way to protect against vaccine-preventable diseases. Vaccinating a population saves health care dollars and assists each year in preventing millions of cases of vaccine-preventable diseases nationwide. This measure will allow the Department of Health the flexibility to adopt nationally accepted standards of practice with regard to vaccines and will help accomplish the adequate administration of vaccines to meet an important public health need.

As affirmed by the records of votes of the members of your Committees on Health and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1138 and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Health

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

Education

Ayes, 3. Noes, none. Excused, 2 (Ruderman, Shimabukuro).

**SCRep. 547 Judiciary and Labor on S.B. No. 192**

The purpose and intent of this measure is to discourage the demand for prostitution in Hawaii through stronger deterrents. Specifically, this measure:

- (1) Establishes an offense of solicitation of a minor for prostitution as a class C felony;
- (2) Increases the statute of limitations to bring a cause of action for coercion into prostitution from two to six years;
- (3) Clarifies the minimum and maximum fine for a person convicted of committing the offense of prostitution;
- (4) Adds the offenses of promoting prostitution, solicitation of a minor for prostitution, habitual solicitation of prostitution, and solicitation of prostitution near schools and public parks under the State's forfeiture laws; and
- (5) Amends the definition of "sexual offense" under the sexual offender registry laws to include acts that consist of the solicitation of a minor who is less than eighteen years of age for prostitution.

Your Committee received testimony in support of this measure from the Office of Community Services; Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; IMUAlliance; Pacific Alliance to Stop Slavery; Courage House Hawai'i; Equality Now; and twenty-seven individuals.

Your Committee finds that this measure strengthens the laws and penalties for crimes that exploit children subjected to prostitution. Your Committee recognizes that victims of prostitution may continue to experience physical and mental trauma long after the commission of the crime. This measure allows these victims additional time to seek assistance without relinquishing their right to seek justice by extending the statute of limitations to bring a cause of action from two to six years. Lastly, by amending the State's forfeiture and sexual offender registry laws, this measure discourages individuals from engaging in solicitation of prostitution.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 192 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 (Shimabukuro).

**SCRep. 548 Judiciary and Labor on S.B. No. 966**

The purpose and intent of this measure is to adopt the Uniform Mediation Act that provides a comprehensive law for privileges and confidentiality in mediation. Specifically, this measure:

- (1) Establishes a privilege of confidentiality for mediators and participants that prohibits the disclosure of mediation communication from being subject to discovery or admissible as evidence;
- (2) Allows the parties to the mediation to waive the privilege and provides certain exceptions to the privilege, including the types of information the mediator may disclose;
- (3) Requires the disclosure of known conflicts of interest by the mediator and, upon request, the disclosure of the mediator's qualifications; and
- (4) Promotes autonomy by authorizing the parties to decide matters that can be set by agreement.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation; The Mediation Center of the Pacific, Inc.; West Hawaii Mediation Center; Honolulu Board of REALTORS; Hawai'i Association of REALTORS; and three individuals. The Judiciary submitted comments on this measure.

Your Committee finds that mediation is a process by which a third party facilitates communication and negotiation between parties to a dispute to assist them in reaching a voluntary agreement resolving that dispute. Currently, mediation communication is covered by Rule 408, Hawaii Rules of Evidence. This measure establishes a privilege that provides significantly more protection for mediation communications than the existing rule of evidence.

Your Committee notes the testimony submitted by the Commission to Promote Uniform Legislation clarifies that this measure does not apply to collective bargaining disputes, certain judicial settlement conferences, or mediation involving parties who are all minors. The Commission also notes that the Uniform Mediation Act has been adopted by eleven jurisdictions and is currently being considered for adoption in two other states.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 966 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 549      Judiciary and Labor on S.B. No. 1036**

The purpose and intent of this measure is to:

- (1) Authorize the Board of Trustees of the Employees' Retirements System, through its administrator, to appoint one or more investment officers to the Employees' Retirement System Investment Office; and
- (2) Change the Administrator's title from "Administrator of the Employees' Retirement System" to "Executive Director of the Employees' Retirement System".

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Board of Trustees of the Employees' Retirement System.

Your Committee finds that the successful investment of the funds of the Employees' Retirement System (ERS) is one of the foundations to the longevity and stability of the system. The system currently has over \$12,000,000,000 in domestic and international investments, and decisions made by the ERS Board of Trustees concerning these investments are critical to the current and future funding of the ERS, which had an unfunded actuarial accrued liability of \$8,400,000,000 as of June 30, 2012.

The ERS' investment staff currently consists of a Chief Investment Officer and an Investment Specialist, which is inadequate given the uncertainty and complexity of the modern financial markets and the need for the Board of Trustees to be provided with ongoing tactical and strategic insights into the risk-return trade-offs of multiple asset class investments. This measure will authorize the Board of Trustees of the ERS, through its administrator, to appoint one or more investment officers to the ERS Investment Office to ensure that the system's investment portfolio is best positioned to meet its asset goals and reduce the ERS' unfunded liability. The in-house knowledge and expertise can also save up to \$1,000,000 in annual research, analytics, transition, monitoring, and other functions that would ordinarily be paid to consultants. Furthermore, this measure changes the ERS Administrator's title to "Executive Director" to be consistent with the title of the administrative heads of other governmental agencies and other public pension funds.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1036 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 550      Commerce and Consumer Protection on S.B. No. 1293**

The purpose and intent of this measure is to require any person applying for a license as an electrical contractor, pole and line contractor, high voltage electrical contractor, or electronic systems contractor to possess a trade license to perform electrical work in the State.

Your Committee received testimony in support of this measure from the Electrical Contractors Association of Hawaii; International Brotherhood of Electrical Workers, Local Union 1186; Hawaii Building and Construction Trades Council, AFL-CIO; and D. Suehiro Electric, Inc. Your Committee received testimony in opposition to this measure from the Hawaiian Electric Company, Inc.; Building Industry Association of Hawaii; and Custom Electronic Design & Installation Association. Your Committee received comments on this measure from the Contractors License Board and Hawaiian Telecom.

Your Committee finds that this measure fixes a loophole in the existing electrical contractor licensing law. For instance, electrical contractors in Hawaii must pass a state-required test to manage an electrical contracting company and the requirements to receive an electrical contracting license to run a business are different from the requirements to receive a journey worker electrician license to perform or supervise the electrical field work. Proper supervision and technical decisions of electrical work comes with proper training and competency in the electrical trade that is obtained through the electrician's licensing process.

Your Committee further finds that electrical work may pose hazards related to public and worker safety. This measure ensures that individuals applying to be licensed as electrical contractors, pole and line contractors, high voltage electrical contractors, or electronic systems contractors will be required to demonstrate the appropriate electrical worker knowledge and training.

Your Committee additionally finds that public utilities are granted an exemption from chapter 448E, Hawaii Revised Statutes. For consistency, your Committee concludes that a similar exemption from the licensing requirements of this measure is needed.

Accordingly, your Committee has amended this measure by providing that all employees of a public utility within the State under a franchise or charter granted by the State which is regulated by the Public Utilities Commission and community antennae television company, while so employed, shall be exempt from the licensing requirements proposed by this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1293, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1293, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 551 Commerce and Consumer Protection on S.B. No. 1258**

The purpose and intent of this measure is to require real estate appraisers, acting as arbitrators, to record arbitration awards, the records of the awards, if separately issued, and any supplementary, dissenting, or explanatory opinions with the Bureau of Conveyances within ninety days of the determination of the award and its notification to the parties.

Your Committee received testimony in support of this measure from the Hawaii Council of Associations of Apartment Owners; Citizens For Fair Valuation; Hilo Bay Printing Co., Ltd.; Pacific Jobbers Warehouse, Inc.; Grace Pacific Corporation; Bacon Universal Company, Inc.; Earle M. Alexander, Ltd.; Sofos Realty Corporation; Mutual Plumbing Supply Co., Inc.; Ginoza Realty, Inc.; JN Group, Inc.; and thirty-three individuals. Your Committee received testimony in opposition to this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; Appraisal Institute, Hawaii Chapter; and Land Use Research Foundation.

Your Committee finds that Act 227, Session Laws of Hawaii 2011 (Act 227), was intended to require real estate appraisers, when acting as arbitrators in long-term ground lease rent valuations, to provide relevant data related to the findings of fact and methodologies employed to support their conclusions, within the record of the award. Act 227 was intended to bring data, openness, and transparency to a market controlled by few landlords and very few commercial and industrial appraisers. Unfortunately, since the enactment of Act 227, many real estate appraisers when acting as arbitrators have required participants in an arbitration to agree to confidentiality agreements that limit the disclosure of the arbitration award details and processes. Your Committee further finds that these agreements frustrate the legislative intent of Act 227 and constrain the development of an open market valuation process.

Your Committee additionally finds that Act 227 requires appraisers in arbitration proceedings to certify compliance with the most current Uniform Standards of Professional Appraisal Practice (USPAP). Although your Committee has heard testimony that this measure might be in conflict with USPAP's ethical rule, your Committee notes that USPAP has a jurisdictional exception rule that "provides a saving or severability clause intended to preserve the balance of USPAP if compliance with one or more of its parts is precluded by the law or regulation of a jurisdiction. When an appraiser properly follows this Rule in disregarding a part of USPAP, there is no violation of USPAP."

Your Committee also finds that because the USPAP rule of jurisdictional exception applies to this measure, there is no ethical conflict with USPAP. Your Committee notes that in subsequent conversations between the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and interested stakeholders, the Professional and Vocational Licensing Division indicated it would be withdrawing its opposition to this measure based on further review of the USPAP.

Your Committee concludes that this measure supports the openness and transparency originally contemplated by Act 227 by requiring the recordation of arbitration data with the Bureau of Conveyances.

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. 1258, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1258, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 552 (Majority) Ways and Means on S.B. No. 97**

The purpose and intent of this measure is to apply the conveyance tax to transfers of entity ownership when the transfer of entity ownership is essentially equivalent to the sale of an interest in real property.

Your Committee received testimony in support of this measure from Catholic Charities Hawaii; Hawaii Appleseed Center for Law and Economic Justice; the Trust for Public Land; The Nature Conservancy; and the Sierra Club, Hawaii Chapter.

Your Committee received testimony in opposition to this measure from the Chamber of Commerce of Hawaii; the Land Use Research Foundation of Hawaii; the Building Industry Association of Hawaii; and NAIOP Hawaii.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; the Department of Taxation; the Tax Foundation of Hawaii; and Alexander & Baldwin, Inc.

Your Committee finds that the transfer of ownership of a business entity is comparable to the sale of an interest in real property held by the entity. However, under existing law, when an interest in real property is conveyed via the transfer of a controlling interest in the business entity that owns the real property, the conveyance is not subject to the conveyance tax. Your Committee believes that all transfers of possession or use of real property should be subject to the same conveyance tax obligations.

Your Committee has amended this measure by:

- (1) Providing that the conveyance tax shall apply to the transfer of entity ownership as a result of a series of transfers or acquisitions that occur within any twenty-four-month period, rather than any twelve-month-period;
- (2) Deleting the provision that stated that the conveyance tax shall not apply to “[a]ny transfer or acquisition that consists of the change in identity or form of ownership of an entity where there is no change in the beneficial ownership, including transfers to an entity wholly owned, directly or indirectly, by the same common ownership as the transferor”;
- (3) Clarifying the method of determining the value of the transfer of a controlling interest;
- (4) Deleting the requirement that the Director of Taxation adopt rules for determining the value of the realty being transferred as the result of the transfer of a controlling interest;
- (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. 97, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 97, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kahele, Tokuda).

**SCRep. 553      Ways and Means on S.B. No. 188**

The purpose and intent of this measure is to revise the excise tax rates for certain tobacco products by:

- (1) Replacing the definition of “large cigar” with a new definition of “premium cigar”;
- (2) Effective January 1, 2014, raising the excise tax on tobacco products other than premium cigars, little cigars, and cigarettes.

Your Committee received testimony in support of this measure from the Hawaii Cigar Association, Cigar Rights of America, Shiroma’s Wine and More, and numerous individuals.

Your Committee received testimony in opposition to this measure from the Department of Health, Cigar Association of America, Inc., American Cancer Society Cancer Action Network, Coalition for a Tobacco Free Hawaii, and numerous individuals.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the current ad valorem tax imposed on a percentage of the wholesale price of cigars has made it difficult for Hawaii’s cigar industry to compete with mail-order competitors that sell cigars in Hawaii without paying state taxes and whose customers do not file usage taxes. By revising state tobacco product excise tax rates, this measure provides an opportunity to promote the local economy by helping Hawaii’s cigar retailers to compete with mail-order businesses.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the amendment raising the excise tax on tobacco products other than premium cigars, little cigars, and cigarettes;
- (2) Effective January 1, 2014, applying a per-unit excise tax of fifty cents for each premium cigar of any length that is sold, used, or possessed by a wholesaler or dealer;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (4) 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. 188, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 188, S.D. 2, 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, none.

**SCRep. 554      Ways and Means on S.B. No. 350**

The purpose and intent of this measure is to amend the date of filing for monthly, quarterly, and semiannual general excise tax returns 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 Retail Merchants of Hawaii, Chamber of Commerce of Hawaii, Hawaii Business League, and two individuals.

Your Committee received testimony in opposition to this measure from the Department of Taxation and one individual.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Act 196, Session Laws of Hawaii 2009, required the filing and payment of general excise taxes on the twentieth day of the month following the business activity to help address the State’s revenue shortfall at that time. This change resulted in difficulties for many taxpayers who found the twenty-day period insufficient to reconcile financial records in time to meet the new deadline. Accordingly, your Committee finds that changing the filing and payment due date from the twentieth day of the



month to the last day of the month would assist taxpayers in filing their general excise tax returns on a timely basis by providing additional days to gather the necessary financial information and documents.

Your Committee is aware that the Department of Taxation has concerns about the filing and payment due dates set forth in this measure and will continue to work with the Department to establish a date that the Department deems reasonable and will be most efficient for taxpayers.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to promote further discussion on the matter; and
- (2) Amending the starting applicable taxable year from July 1, 2013, to December 31, 2016.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 350, 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, 2 (Kahele, Tokuda).

**SCRep. 555 Ways and Means on S.B. No. 1094**

The purpose and intent of this measure is to recapitalize the Emergency and Budget Reserve Fund.

More specifically, this measure appropriates \$25,000,000 from general funds to the Emergency and Budget Reserve Fund for fiscal year 2014-2015.

Your Committee received testimony in support of this measure from the Office of the Governor, the Department of Budget and Finance, and Catholic Charities of Hawaii.

Your Committee finds that sufficient fiscal reserves are critical to sustain the State through difficult economic times and that, in 2008 during the economic downturn, the State was forced to enact many cost-saving measures including downsizing many programs and services, hiring freezes, and furloughs. Your Committee recognizes that the use of the Emergency and Budget Reserve Fund and the Hawaii Hurricane Relief Fund during the economic recession prevented even greater spending reductions and revenue enhancement measures and enabled continued delivery of services to the State's most vulnerable population. Your Committee therefore finds that recapitalizing the fiscal reserves for the State is essential to safeguard the future economic well-being of the State.

Your Committee has amended this measure by:

- (1) Changing all sums to unspecified amounts to facilitate 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. 1094, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1094, 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, 2 (Kahele, Tokuda).

**SCRep. 556 Ways and Means on S.B. No. 1188**

The purpose and intent of this measure is to make technical, nonsubstantive corrections to the Estate and Generation-Skipping Transfer Tax Reform Act to make clear that a decedent who was in a civil union or recognized equivalent under the laws of the State would have the amount of any transfer tax due to the State computed as if the civil union or recognized equivalent were recognized as a marriage under the Internal Revenue Code.

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 finds that Act 220, Session Laws of Hawaii 2012, enacted the Estate and Generation-Skipping Transfer Tax Reform Act, designated as chapter 236E, Hawaii Revised Statutes, that established the estate and generation-skipping transfer taxes based on the valuations, deduction, and expenses allowed for federal transfer tax purposes, but with tax rates independent of the federal transfer taxes. Your Committee also finds that this measure makes technical corrections to ensure that the provisions of the Estate and Generation-Skipping Transfer Tax Reform Act apply to decedents in a civil union or recognized equivalent as they apply to decedents of a marriage.

Your Committee has amended this measure by:

- (1) Clarifying that the measure makes amendments to chapter 236E, Hawaii Revised Statutes, rather than Act 220, Session Laws of Hawaii 2012;
- (2) Making corrections to accurately reflect the text of sections 236E-6 and 236E-7, 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 S.B. No. 1188, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1188, 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, 2 (Kahele, Tokuda).

**SCRep. 557      Ways and Means on S.B. No. 1190**

The purpose and intent of this measure is to treat imported contracting consistently under the use tax and general excise tax laws.

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 finds that the use tax is designed to complement the general excise tax, and generally, items should be taxed similarly under both tax laws. However, confusion exists regarding the tax treatment of imported contracting. This measure would clarify that imported contracting is subject to a general excise tax at the rate of four per cent, unless exempt from the tax because the gross proceeds received by the contractor are subject to the general excise tax as a contractor.

Your Committee has amended this measure by:

- (1) Moving language limiting the exemption under section 238-2.3(1)(C), Hawaii Revised Statutes, to amounts the contractor could have deducted for payments to subcontractors from the effective date section of the measure to Section 2 of 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. 1190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1190, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kahele, Tokuda).

**SCRep. 558      (Majority) Ways and Means on S.B. No. 1196**

The purpose and intent of this measure is to require businesses to record all cash-based transactions, except casual sales.

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.

Section 231-96, Hawaii Revised Statutes, requires a person who conducts more than ten taxable business transactions per day to offer a receipt or other record of the transaction and maintain a record of all business transactions conducted each day. However, your Committee finds that it is possible for taxpayers to conduct less than ten business transactions per day or simply state that the taxpayer has conducted less than ten transactions per day, thereby avoiding the requirement to provide a receipt of the transaction and keep a contemporaneously generated record of the transactions for each day. Accordingly, your Committee believes that it is necessary to require all taxpayers who conduct cash transactions, with the exception of casual sales, to offer a receipt or other record of the transaction and to maintain a contemporaneously generated record of all business transactions conducted each day.

Your Committee notes that casual sales or isolated sale transactions involving tangible personal property by a person do not require a general excise tax license and therefore are not subject to the provisions of this measure.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050, to facilitate continuing discussion on the measure; 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. 1196, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1196, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 8; Ayes with Reservations (Thielen). Noes, 2 (Ruderman, Slom). Excused, 3 (Kahele, Kouchi, Tokuda).

**SCRep. 559      Ways and Means on S.B. No. 1197**

The purpose and intent of this measure is to make permanent the special enforcement section of the Department of Taxation.

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.

Act 134, Session Laws of Hawaii 2009, established a special enforcement section of the Department of Taxation to investigate "cash-based" businesses for tax evasion and to educate the small business community about their tax obligations. Your Committee finds that this special enforcement section has been instrumental in educating local businesses about their tax obligations and has generated almost \$1,000,000 in taxes for the State and that this is especially important in a state with an economy that is mostly composed of small businesses. Accordingly, your Committee finds that making the special enforcement section of the Department of Taxation permanent would continue to provide a valuable enforcement and education tool for the State and for the small business community.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Kahele, Kouchi, Tokuda).

**SCRep. 560 Ways and Means on S.B. No. 1203**

The purpose and intent of this measure is to amend the estate and generation-skipping transfer tax law to comply with recent amendments to the Internal Revenue Code.

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 amendments to sections 236E-3 and 236E-4, Hawaii Revised Statutes, that account for amendments to the Internal Revenue Code made on January 2, 2013.

Your Committee received testimony in support of this measure from The Department of Taxation and the Chamber of Commerce of Hawaii. The Tax Foundation of Hawaii submitted comments on this measure.

Your Committee finds that due to protracted “fiscal cliff” negotiations, amendments to the Internal Revenue Code were not enacted before the end of the year and, instead, were enacted on January 2, 2013. To reflect the stated intent of section 236E-5, Hawaii Revised Statutes, the estate and generation-skipping transfer tax law should apply the version of the Internal Revenue Code as amended on January 2, 2013. Your Committee further finds that these amendments will facilitate compliance with the tax code by taxpayers and application by the Department of Taxation.

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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1203, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1203, 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, 2 (Kahele, Tokuda).

**SCRep. 561 Judiciary and Labor on S.B. No. 194**

The purpose and intent of this measure is to exclude certain offenses from eligibility to be granted a deferred acceptance of guilty plea, including:

- (1) A defendant who has been charged with a petty misdemeanor offense and has been previously granted deferred acceptance of guilty plea status for a prior felony, misdemeanor, or petty misdemeanor for which the term of deferral has not yet expired; and
- (2) The offense charged is prostitution, street solicitation of prostitution, solicitation of prostitution near schools or public parks, or habitual solicitation of prostitution.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Equality Now; Courage House Hawai‘i; Pacific Alliance to Stop Slavery; IMUAlliance; and seven individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender and one individual.

Your Committee finds that existing law does not provide a limit to the number of times a defendant may be granted a deferred acceptance of guilty plea for petty misdemeanor offenses. The Department of the Prosecuting Attorney of the City and County of Honolulu indicated in written testimony that while petty misdemeanors are considered the lowest level of criminal offenses, these offenses are still considered criminal and include offenses such as harassment, criminal property damage in the fourth degree, theft in the fourth degree, and prostitution. This measure provides that a defendant is not granted a deferred acceptance of guilty plea when the defendant is charged with a petty misdemeanor offense and was previously granted deferred acceptance of guilty plea status for a prior felony, misdemeanor, or petty misdemeanor for which the term of deferral has not yet expired.

Your Committee further finds that this measure will strengthen laws to combat domestic minor sex trafficking by excluding certain prostitution violations from eligibility to be granted a deferred acceptance of guilty plea.

During the public hearing of this measure, your Committee raised a question as to whether status offenders, as defined under section 571-2, Hawaii Revised Statutes, should be excluded from eligibility to be granted a deferred acceptance of guilty plea. Subsequently, your Committee researched this matter and consulted with the Department of the Prosecuting Attorney of the City and County of Honolulu and Office of the Public Defender. Your Committee determined that status offenders are under the jurisdiction of the Family Court pursuant to section 571-11(2)(B), (C), or (D), Hawaii Revised Statutes, to determine the case and take any action accordingly. Thus, amending this measure to exclude status offenders from eligibility to be granted a deferred acceptance of guilty plea is not necessary.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 194, 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 (Shimabukuro).

**SCRep. 562 Human Services on S.B. No. 84**

The purpose and intent of this measure is to expand the scope of the definition of “public housing project” to include any housing project controlled or managed by the Hawaii Public Housing Authority pursuant to federally assisted housing.

Your Committee received testimony in support of this measure from the Department of Human Services, the Hawaii Public Housing Authority, the Community Alliance for Mental Health, and one individual. Testimony in opposition to this measure was received from the Subcontractors Association of Hawaii.

Your Committee finds that the current definition of the term “public housing project” in section 356D-1 Hawaii Revised Statutes, is inaccurate and overly limiting for the purposes of the federal low-income public housing program. Under the United States Department of Housing and Urban Development regulations, public housing agencies are authorized to administer a variety of federally assisted housing beyond simply “public housing”. Since the Hawaii Public Housing Authority is the only public housing agency in the State, the definition of “public housing” should correspond to the Department of Housing and Urban Development’s definition of housing that may be administered by a public housing 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 is in accord with the intent and purpose of S.B. No. 84 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 (Kidani).

**SCRep. 563 Ways and Means on S.B. No. 190**

The purpose and intent of this measure is to enhance legislative scrutiny of special funds and revolving funds.

Specifically, this measure:

- (1) Amends criteria to be used by the Auditor in analyzing proposed and existing special or revolving funds;
- (2) Requires the Auditor periodically to review special funds, as well as revolving and trust funds, of designated agencies; and
- (3) Amends or repeals various special or revolving funds and transfers the balances of repealed funds to the general fund.

Prior to the hearing on Senate Bill No. 190, your Committee distributed a proposed Senate Draft 1. The proposed draft deleted provisions amending or repealing various special and revolving funds but retained the provisions relating to the criteria to be used in the review of proposed and existing special and revolving funds.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and the Office of the Auditor.

The Hawaii Primary Case Association and ten individuals submitted testimony in opposition of this measure.

The Department of Health, Office of Hawaiian Affairs, High Technology Development Corporation, and Tax Foundation of Hawaii submitted written comments on this measure.

Your Committee finds special and revolving funds should only be used for their intended purposes and not for other programs. Accordingly, your Committee believes that this measure will provide more specific criteria for the Auditor’s review of proposed new special and revolving funds, which will result in providing the Legislature with essential information relating to the appropriateness of the proposed special and revolving funds. Clarified criteria for establishing and continuing special and revolving funds will ensure that these funds are used appropriately.

Your Committee has amended this measure by adopting the proposed Senate Draft 1, with further technical nonsubstantive amendments made 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. 190, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 190, 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, 3 (Kahele, Kouchi, Tokuda).

**SCRep. 564 Commerce and Consumer Protection on S.B. No. 41**

The purpose and intent of this measure is to clarify the activities custodians or caretakers may engage in under chapter 467, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Association of Vacation Rental Managers; Prince Properties, Inc.; Hawaiian Dream Properties; Abbey Vacation Rentals; Waikoloa Vacation Rental Management, Inc.; Condominium Rentals Hawaii; and one individual. Your Committee received testimony in opposition to this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs; Real Estate Commission; Timberline Land Co. Hawaii, LLC; and thirty-three individuals. Your Committee received comments on this measure from the Hawai’i Association of REALTORS; Rental By Owner Awareness Association; Sunshine & Rainbows, LLC; and two individuals.

Your Committee finds that this measure is intended to clarify the activities custodians or caretakers may engage in under chapter 467, Hawaii Revised Statutes. However, your Committee has heard the concerns that this measure as drafted may be confusing and may be contradictory to the current licensing law requiring a real estate license to lease, rent, or manage property. To address these issues, your Committee concludes this measure should be amended to clarify the role of a local contact for a transient

accommodation pursuant to Act 326, Session Laws of Hawaii 2012 (Act 326). Act 326 requires operators of transient accommodations to provide a local contact whenever an operator is not located on the island where a transient accommodation is located.

Your Committee further finds that interested stakeholders have worked together to reach a consensus on the role of a local contact, including what a local contact can and cannot do. The consensus language clarifies that the role of a local contact is limited, and any services other than those allowed under Act 326 can constitute unlicensed real estate activity.

Your Committee additionally finds that the Regulated Industries Complaints Office is working on an informational handout in conjunction with the Department of Taxation that will be available to assist transient accommodation operators determine if they need to hire a real estate licensee. Your Committee is encouraged by the collaborative efforts of all interested stakeholders and concludes that the consensus language suggested by the stakeholders is an excellent provision that will assist owners of transient accommodations who are not located on the same island as their transient accommodation.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that clarified the activities custodians or caretakers may engage in under chapter 467, Hawaii Revised Statutes;
- (2) Inserting language that clarifies the role of a local contact for operators of transient accommodations under Act 326, Session Laws of Hawaii 2012;
- (3) Amending the purpose section for clarity; 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. 41, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 41, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 565      Judiciary and Labor on S.B. No. 1233**

The purpose and intent of this measure is to require private employers of fifty or more employees to allow employees to take paid leaves of absence for organ, bone marrow, and peripheral blood stem cell donation.

Your Committee received testimony in support of this measure from The Queen's Health Systems; United Public Workers, AFSCME Local 646, AFL-CIO; and eleven individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that private employers are not currently required to give employees paid time off for donating organs, bone marrow, or peripheral blood stem cells. Your Committee further finds that many people in the State who would otherwise donate these vital medical resources delay or altogether refrain from donation because they cannot take time off of work to do so. By requiring employers to allow employees paid time off for organ, bone marrow, and peripheral blood stem cell donation, this measure provides life-saving medical resources to benefit citizens of the State in medical need.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1233 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 566      Commerce and Consumer Protection on S.B. No. 965**

The purpose and intent of this measure is to establish:

- (1) Qualifications for nonresident military spouses eligible for expedited procedures for professional and vocational licensing by endorsement or reciprocity, and temporary licensing; and
- (2) Requirements for nonresident military spouses to maintain licenses and report changes in status or circumstances that may affect licensure.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and The Chamber of Commerce of Hawaii. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds many military spouses accompany their service member spouses on military duty assignments. Your Committee further finds that this measure tracks efforts led by the current Presidential Administration to simplify and expedite the employment of trained, educated, and highly qualified military spouses who accompany their service member spouses on military duty assignments. Your Committee also finds that this measure, as introduced, requires an otherwise qualified military spouse to have been stationed in Hawaii for at least one year, thus delaying the certification process by at least one year. Amendments to this measure are therefore necessary to clarify this language.

Accordingly, your Committee has amended this measure by clarifying that the qualifications for a "nonresident military spouse" include being married to a service member spouse who is stationed in Hawaii pursuant to military permanent change of station orders issued by the United States Department of Defense.

As affirmed by the record of votes of the members of 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. 965, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 965, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 567 Commerce and Consumer Protection on S.B. No. 945**

The purpose and intent of this measure is to allow condominium associations and cooperative housing corporations to adopt rules to prohibit smoking in units, common elements, or limited common elements if a majority of the tenant shareholders or owners approved the smoking prohibition.

Your Committee received testimony in support of this measure from four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Council of Associations of Apartment Owners and two individuals. Your Committee received comments on this measure from the Community Associations Institute, Hawaii Chapter and Coalition for a Tobacco-Free Hawai'i.

Your Committee finds that in 2010, the United States Surgeon General noted that any level of exposure to secondhand smoke is dangerous and can be harmful. Your Committee further finds that residents who live in multi-unit housing can be negatively affected by secondhand smoke exposure from other residents. Your Committee additionally finds that this measure would allow condominium associations and cooperative housing corporations to regulate smoking within and outside of individual units.

However, your Committee has heard concerns that although this measure requires a majority of shareholder or owner approval to prohibit smoking outside of individual units, condominium boards of directors are already authorized to regulate the use of common elements and limited common elements. Your Committee has also heard testimony that section 328J-3(13), Hawaii Revised Statutes, limits smoking in certain common areas of buildings, including apartments, condominiums, multifamily dwellings, and other multiple-unit residential facilities. Your Committee concludes that this measure should be amended to apply to chapter 514A, Hawaii Revised Statutes, as well as chapters 421I and 514B, Hawaii Revised Statutes. Your Committee also concludes that this measure should be amended to preserve and maintain the existing authority of shareholders and condominium boards of directors. Your Committee also finds that amendments to this measure are necessary to provide smokers with a commercially reasonable time to sell their units or apartments after a cooperative housing corporation, association of apartment owners, or condominium association adopts a prohibition on smoking.

Accordingly, your Committee has amended this measure by:

- (1) Allowing cooperative housing corporations, associations of apartment owners, and condominium associations to adopt rules to prohibit smoking in units or apartments if a majority of the tenant shareholders or owners approved the smoking prohibition; provided that a rule to prohibit smoking shall not become effective sooner than one hundred eighty days after the prohibition is approved;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 945, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 945, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 568 Ways and Means on S.B. No. 82**

The purpose and intent of this measure is to clarify the powers of and authorize the Hawaii Public Housing Authority (Authority) to receive all gifts that benefit public housing residents.

More specifically, this measure:

- (1) Authorizes the Authority to sell, lease, rent, hold, maintain, use, and operate any property in support of its purposes, power, and programs;
- (2) Requires that the acceptance of gifts valued over \$1,000 be approved or confirmed by the Authority's board of directors; and
- (3) Exempts the Authority from the requirements of chapters 76, 89, 90, 103, and 103D, Hawaii Revised Statutes, regarding the use of volunteer services.

Your Committee finds that authorizing the Hawaii Public Housing Authority to accept gifts that benefit the residents served by the Authority will enhance living conditions for the residents and improve the quality of the living units. Your Committee also finds that the exemption from the laws that govern the use of volunteers will allow the Authority more flexibility in recruiting and retaining volunteers for community development projects. Accordingly, your Committee believes that this measure will improve the community and help rehabilitate public housing units.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion on the issue.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 82, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 82, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 569      Ways and Means on S.B. No. 204**

The purpose and intent of this measure is to fund holistic treatment and support and transition services for the ex-offender population.

More specifically, this measure appropriates funds for fiscal year 2014-2015 to incentivize and match funds for programs that are specifically designed to help offenders transition safely back into the community.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations, Community Alliance On Prisons, and nine individuals.

Your Committee finds that the reintegration of ex-offenders into the general population is a process and that programs that assist in this transition improve the chances of a smoother, more successful return to the community. The successful reintegration of ex-offenders benefits the community and reduces recidivism. Your Committee further finds that providing matching funds for programs that assist in the transition of ex-offenders will increase employment rates for ex-offenders, incentivize partnership and investment in these programs, and improve the general welfare of the State.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation shall be expended only upon the commitment of private or public matching funds; and
- (2) Making a technical nonsubstantive amendment for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 204, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 204, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 570      Ways and Means on S.B. No. 326**

The purpose and intent of this measure is to mitigate health and food risks in the food production process.

More specifically, this measure establishes and appropriates funds for a task force to identify and develop good agricultural practices and preventative measure guidelines to ensure safe food throughout the farm-to-consumer food supply system.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that food safety is an important concern for the State, and it is critical to ensure that the process of food production is as safe as possible. Your Committee also finds that the task force established in this measure would identify and develop the agricultural practices necessary to address the food safety and health concerns of consumers in the State.

Your Committee has amended this measure by:

- (1) Providing for representatives from the wholesale distribution, manufacturing, retail, hotel, and restaurant industries to serve as members of the task force;
- (2) Changing the appropriation for task force administrative costs to an unspecified amount;
- (3) Changing the dissolution date of the task force from December 31, 2013, to July 1, 2014, to facilitate participation of the task force during the 2014 Regular Session;
- (4) Changing the effective date, to July 1, 2050, to further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 326, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 326, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 571      (Majority) Ways and Means on S.B. No. 345**

The purpose and intent of this measure is to bring license fees of vendors of portable electronics insurance into line with the fees charged in other jurisdictions.

Your Committee received written comments in support of this measure from Asurion and one individual. Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the fee amendments proposed by this measure are appropriate, given that the licenses in question cover the activities of both the vendor and its employees and the resulting fee structure is consistent with that in place in other states.

Your Committee has amended this measure by:

- (1) Changing the amounts of the license fees to unspecified amounts; and

- (2) Changing the effective date to July 1, 2050, in order to promote continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 345, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 345, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 572 Ways and Means on S.B. No. 497**

The purpose and intent of this measure is to appropriate matching funds from the beach restoration special fund to finance the costs of the environmental impact statement associated with the planned beach nourishment project at Kaanapali Beach on Maui.

Your Committee received written comments in support of this measure from Lyon.Us.com. Your Committee received written comments in opposition to this measure from the Department of Land and Natural Resources.

Your Committee finds that the ongoing Kaanapali Beach nourishment project will require the preparation of an environmental impact statement estimated to cost \$800,000 of which the private sector is committed to providing \$400,000.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 497, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 497, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 573 Ways and Means on S.B. No. 564**

The purpose and intent of this measure is to establish a Hawaii-grown Produce Working Group to develop and implement a demonstration model in which a state facility utilizes Hawaii-grown produce for consumption.

In addition, the measure also:

- (1) Requires the working group to report its findings and recommendations to the Legislature; and
- (2) Appropriates an unspecified sum for the working group to develop and implement the demonstration model.

Your Committee received written comments in support of this measure from the Kohala Center - Hawaii Island School Garden Network, Hawaii Association of Independent Schools, and Hawaii Farm Bureau Federation.

Your Committee finds that increasing the consumption of Hawaii-grown produce will help ensure the availability of fresh, high quality produce by establishing agriculture as a driving economic force in the State. Your Committee believes that the Hawaii-grown Produce Working Group established by this measure will help the Legislature evaluate how locally-grown produce can be utilized at state facilities throughout 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, 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. 564, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 564, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (English, Kahele, Kouchi).

**SCRep. 574 Ways and Means on S.B. No. 661**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawaii Pacific Health in financing the construction or renovation of its health care facilities.

Your Committee received written comments in support of this measure from Healthcare Association of Hawaii and Hawaii Pacific Health.

Your Committee received written comment on this measure from the Department of Budget and Finance.

Your Committee finds that Hawaii Pacific Health is a non-profit health care system consisting of four hospitals in the State. Hawaii Pacific Health is the State's largest health care provider and provides services to the general public. Accordingly, your Committee believes that assistance in financing the construction or renovation of its health care facilities is in the State's interest to maintain and improve the quality of health care services.



Your Committee has amended this measure by specifying a total amount not to exceed \$175,000,000 for the issuance of special purpose revenue bonds to Hawaii Pacific Health.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 661, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 661, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 575      Ways and Means on S.B. No. 726**

The purpose and intent of this measure is to exempt car-sharing organizations from the rental motor vehicle surcharge tax.

Your Committee received written comments in support of this measure from Hertz Corporation and two concerned individuals.

Your Committee received written comments in opposition to this measure from the Department of Transportation.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that car-sharing organizations offer an environmentally and traffic friendly alternative to mass motor vehicle ownership. These organizations allow members, many of whom cannot afford or prefer not to own a motor vehicle, access to motor vehicles from the organization's fleet on a short-term basis, often hourly. This arrangement reduces greenhouse gas emissions and traffic congestion by encouraging car-sharing as an alternative to car ownership.

Your Committee has amended this measure by:

- (1) Defining a car-sharing organization as an organization that:
  - (A) Operates, exclusively, a qualified fleet of vehicles primarily for hourly rental;
  - (B) Charges an annual membership separately from other charges;
  - (C) Provides self service, fully automated access to its qualified fleet exclusively to its members;
  - (D) Does not require a separate written agreement for each use of a vehicle in the qualified fleet;
  - (E) Clarifies that the hourly fee includes fuel, insurance, maintenance, and other costs;
  - (F) Limits member use of the qualified fleet to no more than twelve hours per day; and
  - (G) Requires vehicles to be returned to the point of rental;
- (2) Defining the term "qualified fleet of vehicles" by requiring, among other things, that the fleet include an unspecified percentage of hybrid electric, plug-in hybrid electric, and electric vehicles;
- (3) Requiring car-sharing organizations that seek rental motor vehicle surcharge tax exempt status to submit and have approved by the Department of Taxation an application that shows compliance with all of the requirements of a car-sharing organization;
- (4) Authorizing the Department of Taxation to require the car-sharing organization to submit an electronic report of all exempt income derived from the operation of the organization;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure, including discussion on the percentage of vehicles that must be hybrid electric, plug-in hybrid electric, and electric to meet the requirements of a qualified fleet; and
- (6) 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 S.B. No. 726, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 726, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 576      Ways and Means on S.B. No. 1339**

The purpose and intent of this measure is to qualify areas in the State as rural for purposes of participation in federal programs that accept state definitions of a rural area.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that while federal definitions of a "rural area" preclude many communities from participating in federal programs, several other federal programs recognize state definitions of a "rural area" for purposes of participation in those programs. This measure will ensure that many of the State's culturally significant rural communities will continue to receive federal funds for services critical to their continued existence and prosperity.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in order to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1339, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1339, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 577 Ways and Means on S.B. No. 1357**

The purpose of this measure is to provide protection from liability for government agencies maintaining or repairing a road whose ownership or jurisdiction is subject to dispute between the State and a county.

Specifically, the measure:

- (1) Provides government agencies that maintain or repair a disputed road with immunity from liability for injury or damage sustained from use of the road;
- (2) Provides that government agencies are not to be deemed to have assumed ownership or jurisdiction over disputed roads by virtue of the maintenance or repair activities; and
- (3) Provides counties that accept, by resolution, the dedication of a disputed road with immunity from liability for injury or damage sustained from use of the road for a period of ten years following the county's acceptance of the road.

Your Committee finds that this measure will protect state and county agencies from liability for their maintenance or repair of disputed roads, while allowing the agencies to work on resolving ownership issues over the roads.

Your Committee has amended this measure by:

- (1) Changing the reference to "government agency" in the new section established in chapter 662, Hawaii Revised Statutes, relating to state tort liability, to "state agency," which is defined in section 662-1, Hawaii Revised Statutes;
- (2) Moving the provision regarding the liability of counties for dedicated roads from the new section relating to state tort liability to section 46-15.9, Hawaii Revised Statutes, relating to county activities on disputed roads;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1357, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1357, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 578 (Majority) Judiciary and Labor on S.B. No. 1337**

The purpose and intent of this measure is to amend the definitions of "gambling" and "something of value" to clarify that participation in health wellness programs is not considered gambling or lottery participation under the Hawaii Penal Code.

Your Committee received testimony in support of this measure from the Hawaii Medical Service Association and The Chamber of Commerce of Hawaii. Testimony in opposition to this measure was submitted by the Department of the Attorney General and Police Department, City and County of Honolulu.

Your Committee finds that preventative health care is important not only for individuals' personal wellbeing, but also for the health care system of the State as a whole. Preventative health care assists health consumers in maintaining good health and helps them avoid debilitating and costly diseases and conditions that might otherwise affect them. Your Committee notes that while these goals are laudable, there have been concerns that such programs run afoul of the State's statutes prohibiting gambling or lotteries. Because wellness programs promote the health of Hawaii's citizens and save the health care system significant sums of money annually, your Committee finds it necessary to amend the Hawaii Penal Code to clarify that wellness programs do not constitute gambling or lottery participation.

Your Committee notes the concerns raised by the Department of the Attorney General that this measure is unnecessary and could potentially carve out an excessively broad exception to the State's gambling laws. However, your Committee finds that this measure is necessary to ensure that state gambling and lottery laws do not hinder health wellness programs that encourage healthy behavior.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to clarify that participation in health wellness programs is excluded from the definition of "something of value" only if the wellness program does not constitute gambling, as defined in section 712-1220(4), Hawaii Revised Statutes; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1337, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1337, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Ihara, Slom). Excused, none.

**SCRep. 579      Judiciary and Labor on S.B. No. 452**

The purpose and intent of this measure is to reestablish the Governor's authority to nominate and, with the advice and consent of the Senate, appoint the members of the Board of Regents of the University of Hawaii (Board of Regents) by repealing the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Candidate Advisory Council), effective upon ratification of an amendment to article X, section 6, of the Hawaii State Constitution that repeals provisions related to the Candidate Advisory Council.

Your Committee received testimony in support of this measure from the Policy Office of the Governor. Testimony in opposition to this measure was submitted by the University of Hawaii Regents Candidate Advisory Council.

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, your Committee finds that while the Candidate Advisory Council has nominated several outstanding appointees to the Board of Regents, a number of issues have arisen regarding the method of Regent selection that has hampered the work of the Candidate Advisory Council and led to questions regarding the final selection of appointees during the Senate confirmation process. The latest example is the Senate's rejection of two of the Governor's nominees to the Board of Regents during the Regular Session of 2011.

Your Committee further finds that the Governor will not be able to adequately select nominees to the Board of Regents unless the Governor has more control and involvement in the recruitment and selection process. Your Committee believes that it is appropriate to reassess and seriously consider repealing the Candidate Advisory Council.

Your Committee has amended this measure by:

- (1) Authorizing the Board of Regents to elect one vice-chairperson, rather than up to two vice-chairpersons; and
- (2) Amending the timing of election and term dates of the Board of Regents' chairperson and vice-chairperson.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 452, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 452, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Gabbard).

**SCRep. 580      Judiciary and Labor on S.B. No. 499**

The purpose and intent of this measure is to adopt the Uniform Partition of Heirs Property Act, which establishes procedures and remedies for use in actions for partition of real property involving heirs property.

Your Committee received testimony in support of this measure from the Commission to Promote Uniform Legislation. The Judiciary and one individual submitted comments on this measure.

Your Committee finds that in 2010, the Uniform Law Commission promulgated the Uniform Partition of Heirs Property Act to provide a fair solution to the risks posed to those who own heirs property, which is real property held in tenancy in common that meets certain requirements. Your Committee notes that this measure does not displace existing partition law for non-heirs property, nor does it prohibit a party from petitioning for partition by sale or apply to situations where there is a written agreement relating to property partition. Rather, this measure establishes a hierarchy of remedies designed to protect a family's property holdings and real property wealth for partition actions involving heirs property. Your Committee further finds that this measure provides cotenants with many of the rights and protections found in private agreements governing the partition of tenancy in common property.

Your Committee notes the concerns raised by the Judiciary regarding this measure placing full responsibility on the court to provide notice of appraisal, notice of fair market value, and notice to cotenants under certain circumstances. The Judiciary testified that generally the parties in a civil case are responsible for giving notice, and the court determines whether the notice requirement is satisfied. Your Committee requested that the Judiciary and Commission to Promote Uniform Legislation develop language to address the Judiciary's concerns regarding the notice requirements under this measure.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the language submitted by the Judiciary that replaces the court with other parties to be responsible for providing notice, such as the movant for determination or appraiser, and specifies the receiving parties;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 499, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 499, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 581      Judiciary and Labor on S.B. No. 529**

The purpose and intent of this measure is to:

- (1) Prohibit family courts from awarding a person custody of or visitation with a child if the person has been convicted of rape or sexual assault and the child was conceived as a result of that offense; and

- (2) Authorize the family courts to terminate parental rights, with respect to a child, of a natural father who has been convicted of rape or sexual assault and the child was conceived as a result of the rape or sexual assault.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Sex Abuse Treatment Center, and two individuals.

Your Committee finds that state law does not prevent a natural father from claiming paternity rights and obtaining custody of or visitation with a child conceived as a result of sexual assault or rape. The father is afforded the same rights as any other father despite the sexual assault or rape against the victim-mother because Hawaii does not have a law restricting or terminating those rights. Consequently, any natural father may assert paternity rights, including custody and visitation, forcing a victim-mother to confront the natural father on a recurring basis while raising a child conceived from a sexual assault or rape.

Your Committee notes that a child could be conceived as a result of a rape or sexual assault committed by a female. Thus, the natural father could be the victim of a rape or sexual assault committed by the natural mother. Upon the request of your Committee, the Sex Abuse Treatment Center developed language to apply this measure to a natural parent rather than a natural father to recognize that a mother or father could be a victim of a rape or sexual assault out of which a child was conceived.

Your Committee has amended this measure by:

- (1) Adopting the language developed by the Sex Abuse Treatment Center to:
  - (A) Specify that family courts may deny custody or visitation rights or terminate the parental rights of a natural parent, rather than father, who is convicted of rape or sexual assault if the child was conceived as a result of the rape or sexual assault;
  - (B) Specify that the convicted natural parent is still obligated to support the child if custody or visitation rights are denied or parental rights are terminated;
  - (C) Allow the court to order the convicted natural parent to pay child support;
  - (D) Specify that this measure does not apply to a convicted natural parent and custodial natural parent who cohabitate and establish a mutual custodial environment for the child conceived as a result of the rape or sexual assault after the date of conviction; and
  - (E) Allow the custodial natural parent to petition the court to allow the convicted natural parent custody or visitation rights or reinstate the convicted natural parent's parental rights; 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. 529, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 529, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 582 Commerce and Consumer Protection on S.B. No. 548**

The purpose and intent of this measure is to exempt from the licensing requirement to practice medicine in the State any commissioned medical officer or commissioned or civilian behavioral health professional employed by the U.S. Department of Defense, who is credentialed by Tripler Army Medical Center, while providing direct telemedicine support or services to neighbor island beneficiaries within a Hawaii National Guard armory on the islands of Kauai, Hawaii, Molokai, or Maui.

Your Committee received testimony in support of this measure from the Hawaii Medical Board. Your Committee received comments on this measure from the Hawaii Board of Psychology.

Your Committee finds that enhanced medical services for National Guard armories on the islands of Kauai, Hawaii, Molokai, and Maui will have a direct and long term impact for health care accessibility for neighbor island beneficiaries. Your Committee further finds that the exemptions under this measure are limited to physicians and osteopathic physicians. However, existing sections under the Insurance Code permit telehealth services by other health providers. Civilian behavioral health providers who are licensed as marriage and family therapists, mental health counselors, and psychologists and who are employed by the Department of Defense and credentialed by Tripler Army Medical Center should also be able to provide telemedicine services to neighbor island beneficiaries within a Hawaii National Guard armory. Amendments to this measure are therefore necessary to ensure that neighbor island beneficiaries within a Hawaii National Guard armory have access to the full range of credentialed personnel offering behavioral health services.

Accordingly, your Committee has amended this measure by:

- (1) Exempting from licensing requirements civilian behavioral health professionals who are otherwise licensed as marriage and family therapists under chapter 451J, Hawaii Revised Statutes; mental health counselors under chapter 453D, Hawaii Revised Statutes; or psychologists under chapter 465, Hawaii Revised Statutes, and who are employed by the Department of Defense and credentialed by Tripler Army Medical Center; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 548, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 548, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 583 Commerce and Consumer Protection on S.B. No. 654**

The purpose and intent of this measure is to:

- (1) Mandate health insurance coverage for tobacco use cessation treatments; and
- (2) Require insurers to provide policyholders or subscribers information about tobacco use cessation treatment coverage.

Your Committee received testimony in support of this measure from the Department of Health, American Heart Association, American Cancer Society Cancer Action Network, Kaiser Permanente, Coalition for a Tobacco-Free Hawai'i, Hawaii State Center for Nursing, and two individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that cigarette smoking is the leading cause of preventable disease and preventable death in the United States. In Hawaii, tobacco use claims 1,100 lives each year and creates \$360,000,000 in annual health care costs. Despite significant gains in tobacco prevention and control, approximately 176,000 adults in Hawaii report being current smokers.

Your Committee further finds that nicotine addiction is treatable. Data shows that most smokers want to quit, and covering treatment improves the chances that a person will quit smoking. This measure ensures that all insurance providers in Hawaii will guarantee comprehensive coverage of evidence-based tobacco cessation treatment, thus saving lives and money.

Your Committee also finds that the United States Public Health Services Clinical Practice Guideline on Treating Tobacco Use and Dependence recommends individual, group, and telephone counseling as effective methods of tobacco dependence counseling. An amendment to this measure is necessary to specify that these methods of counseling shall be covered. Additionally, the United States Preventive Services Task Force recommends that a combination therapy of counseling and medications is more effective at increasing cessation rates than either component alone. An amendment to this measure is necessary to also incorporate pharmacotherapy coverage, as recommended by the Preventive Services Task Force.

Your Committee additionally finds that beginning in 2014, the federal Patient Protection and Affordable Care Act will require private insurers to provide coverage for tobacco use cessation treatment. However, it could take several years before all policies reflect mandated tobacco cessation services. Therefore, an amendment to this measure is necessary to clarify that all health plans in Hawaii must provide cessation benefits, including those that are grandfathered in under the Patient Protection and Affordable Care Act.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that notwithstanding section 23-51, Hawaii Revised Statutes, or any mandates for tobacco use cessation coverage required by the federal Patient Protection and Affordable Care Act, P.L. 111-148, all insurers in the State shall provide coverage for tobacco use cessation treatment;
- (2) Specifying that tobacco use cessation coverage shall include group, private, or telephone counseling;
- (3) Specifying that tobacco use cessation coverage shall also include pharmacotherapy, meaning those products identified for cessation use and listed by the United States Preventive Services Task Force, including prescription and over-the-counter nicotine replacement medications and non-nicotine cessation medications; 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. 654, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 654, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 584 Ways and Means on S.B. No. 1371**

The purpose and intent of this measure is to provide mooring space in small boat harbors for Native Hawaiian canoes used for nonprofit educational purposes.

More specifically, this measure requires the Department of Land and Natural Resources to accommodate, in all state small boat harbors, the mooring of Native Hawaiian canoes owned or leased by a nonprofit entity and operated for educational purposes. The measure also requires the nonprofit entity to verify its educational activities.

Your Committee received written comments in support of this measure from one concerned individual.

Your Committee finds that the study of Hawaiian culture is required by the Hawaii Constitution and that the use of canoes has always been an essential part of Hawaiian culture. This measure would promote the study of Hawaiian culture through the use of Native Hawaiian canoes.

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. 1371, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1371, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 585      Ways and Means on S.B. No. 1317**

The purpose and intent of this measure is to secure the legacy of Nisei veterans and preserve the site of the Honouliuli internment camp.

More specifically, this measure:

- (1) Appropriates funds for the planning, design, and construction of the Nisei Veterans Legacy Center; provided that matching funds are provided;
- (2) Requires the Department of Land and Natural Resources to report to the Legislature on the status of the Nisei Veterans Legacy Center, including funding;
- (3) Appropriates funds for the continued maintenance, support, and work of the Honouliuli Park Site Project Advisory Group for the Honouliuli Internment Camp Educational Center; provided that matching funds are provided; and
- (4) Requires the Honouliuli Park Site Project Advisory group to submit a report to the Legislature regarding the recommendations and status of the Honouliuli Internment site.

Your Committee received written comments in support of this measure from the 442<sup>nd</sup> Veterans Club, the University of Hawaii-West Oahu, and thirty-seven individuals.

Your Committee finds that a Nisei Veterans Legacy Center and the Honouliuli Internment Camp Education Center would preserve, perpetuate, and share the legacy and history of the Japanese-Americans who served in the United States Armed Forces during World War II. Your Committee also finds that the Legacy Center and the Education Center would complement academic and research programs offered at the University of Hawaii.

Your Committee has amended this measure by:

- (1) Changing the effective date from July 1, 2013, to July 1, 2050, to encourage further discussion on the measure; 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. 1317, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1317, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 586      (Majority) Ways and Means on S.B. No. 1275**

The purpose and intent of this measure is to grant the Kaho'olawe Island Reserve Commission a permanent exemption from chapter 103D, Hawaii Revised Statutes, for the procurement of food or fuel products necessary for the Commission to carry out the purposes of chapter 6K, Hawaii Revised Statutes, relating to the Kaho'olawe Island Reserve.

Your Committee received written comments in opposition to this measure from the State Procurement Office.

Your Committee finds that the Kaho'olawe Island Reserve Commission faces unique challenges in carrying out its statutory responsibilities to preserve and protect the Kaho'olawe Island Reserve. These include difficulty in acquiring and transporting cargo, food, and fuel to the island. Your Committee finds that the additional flexibility provided by this measure is necessary and appropriate for the Kaho'olawe Island Reserve Commission to fulfill its mission under chapter 6K, Hawaii Revised Statutes.

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. 1275, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1275, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 587      Ways and Means on S.B. No. 1273**

The purpose and intent of this measure is to establish a University of Hawaii system-wide academy for creative media that shall award certificates and degrees emphasizing narrative storytelling through a unique program in indigenous filmmaking.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; and one concerned individual.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that the academy for creative media was formally approved by the University of Hawaii Board of Regents in 2003 to promote the development of creative media and a new industry in the State. This measure will codify the successful academy for creative media Manoa program, which has been teaching the art of digital media and filmmaking for the past decade.

Your Committee has amended this measure by:

- (1) Clarifying that the term "board" refers to the Board of Regents; and

(2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1273, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1273, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 588 Ways and Means on S.B. No. 1221**

The purpose and intent of this measure is to foster growth in the aeronautics industry in the State.

More specifically, this measure appropriates an unspecified amount to the University of Hawaii for the hiring of a program coordinator and technical support staff member to complete the planning and studies required for the international flight training center and the proposed aeronautical training program.

Your Committee received written comments in support of this measure from the Office of the Mayor of the County of Hawaii, the Department of Business, Economic Development and Tourism, the Department of Defense, the Hawaii County Council-District 3, the University of Hawaii at Hilo, and eight individuals.

Your Committee received written comments on this measure from two individuals.

Your Committee finds that in 2012, the Legislature established an exploratory committee that was tasked to determine if an international flight training center should be established in the State. The exploratory committee proposed three pilot programs: the professional helicopter pilot program, the unmanned aircraft systems pilot program, and the professional airplane pilot program. The exploratory committee also recommended that the Legislature appropriate funds to hire a program coordinator and a technical support staff member to conduct and draft the necessary planning and studies required for these pilot programs. Accordingly, your Committee finds that this measure supports the growth of the aeronautics industry in the State.

Your Committee has amended this measure by changing the effective date from July 1, 2013, to July 1, 2050, to promote 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. 1221, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1221, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 589 (Majority) Ways and Means on S.B. No. 1131**

The purpose and intent of this measure is to establish a tiered glass advance disposal fee based on the capacity of the glass container.

Your Committee received written comments in support of this measure from the Department of Health; Department of Environmental Services, City and County of Honolulu; and Department of Public Works, County of Kauai.

Your Committee received written comments in opposition to this measure from the Distilled Spirits Council of the United States; Hawaii Food Industry Association; and Retail Merchants of Hawaii.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure will increase the glass advance disposal fee and thus enable the Department of Health to increase funding to all counties to bolster their glass recycling efforts.

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. 1131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1131, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 590 (Majority) Ways and Means on S.B. No. 1101**

The purpose and intent of this measure is to stabilize payments to general assistance recipients and reduce the need for emergency appropriations.

More specifically, this measure:

- (1) Establishes the interim assistance reimbursement special fund into which interim assistance reimbursements from the Social Security Administration shall be deposited as reimbursements for state-funded financial assistance payments made to recipients pending approval for federal supplemental security income; and
- (2) Require the Department of Human Services (Department) to use the funds from the special fund only for state-funded financial assistance payments and programs that support and assist recipients to qualify for supplemental security income.

Your Committee received testimony in support of this measure from the Department of Human Services; Legal Aid Society of Hawaii; and one concerned individual.

Your Committee finds that state-funded financial assistance is paid to qualified recipients while their application for supplemental security income is pending a determination with the Social Security Administration. If the application is approved, the Social Security Administration reimburses the State for the assistance provided. Often, the reimbursement does not arrive in the same fiscal year in which the state-funded assistance was given. Because the Department is required to deposit reimbursements from a prior fiscal year into the general fund, the Department is often forced to request an emergency appropriation to compensate for the shortfall. This measure will stabilize payments to beneficiaries and reduce the future need for emergency appropriations for the general assistance program, by allowing the Department to retain the reimbursements from prior fiscal years in the newly created special fund to be used solely for financial assistance payments.

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 S.B. No. 1101, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1101, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 591 (Majority Ways and Means on S.B. No. 1093)**

The purpose and intent of this measure is to establish a statewide school readiness program to prepare young children for entry into kindergarten.

Your Committee received written comments in support of this measure from the Office of the Governor, Board of Education, Department of Human Services, City and County of Honolulu Department of the Prosecuting Attorney, University of Hawaii System, Castle and Cooke Hawaii, Chaminade University of Honolulu, Hawaii P-20 Partnerships for Education, Good Beginnings Alliance, Hawaii Business Round Table, Kamehameha Schools, Partners in Development Foundation, The Queens Health Systems, Special Education Advisory Council, and fifty-five individuals. Your Committee received written comments on this measure from Hawaii Pacific Health.

Your Committee finds that many young children enter kindergarten without the behavioral and learning skills necessary to succeed in school. These children will be better prepared to enter school if they are provided access to school readiness services that address physical, cognitive, linguistic, social, and emotional development. Your Committee believes that the creation of a school readiness program that prioritizes these services for low- and middle-income children will better prepare these children to thrive in an educational environment.

Your Committee has amended this measure by:

- (1) Clarifying that “low- and moderate-income families” have an income of no more than two hundred fifty per cent of federal poverty level for the purposes of receiving priority for participation in the school readiness program;
- (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. 1093, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1093, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, none.

**SCRep. 592 (Majority Ways and Means on S.B. No. 1057)**

The purpose and intent of this measure is to fulfill the Legislature’s responsibility to establish public employer contribution amounts to the Employer-Union Health Benefits Trust Fund if an impasse occurs in a collective bargaining negotiation.

Specifically, the measure establishes employer contribution amounts for plan years 2011-2012 and 2012-2013 for Hawaii Employer-Union Health Benefits Trust Fund (EUTF) health benefit plan premiums for the employees of collective bargaining unit (10) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance.

Your Committee finds that the public employer and the exclusive representative for collective bargaining unit (10) were at an impasse in collective bargaining negotiations regarding contribution amounts for plan years 2011-2012 and 2012-2013 for EUTF health benefit plan premiums for the employees of collective bargaining unit (10) and their excluded counterparts. Because an agreement could not be reached regarding the employer contribution amounts to the trust fund, the public employer is required by law to submit its recommendation for contributions to the Legislature. This measure establishes the public employer’s recommended contributions designed to effectuate fifty percent employer contribution levels for collective bargaining unit (10) and their excluded counterparts. These rates are identical for employees in other collective bargaining units under existing collective bargaining agreements.



Your Committee has amended this measure by:

- (1) Clarifying that the excluded state officers and employees to which the measure refers are those state officers and employees who are excluded from collective bargaining and who belong to the same compensation plans as those state officers and employees within collective bargaining unit (10); and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1057, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1057, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Espero, Kouchi).

**SCRep. 593      Ways and Means on S.B. No. 1003**

The purpose and intent of this measure is to authorize the Chief Information Officer to conduct security audits to protect the State's information and data.

The Department of Accounting and General Services submitted written comments in support of this measure.

Your Committee finds that protecting government databases and data communications from intrusions and theft will help to protect the public from the negative impacts of identity theft. Authorizing the Chief Information Officer to conduct security audits will support existing state cyber security activities.

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 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. 1003, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1003, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 594      Ways and Means on S.B. No. 930**

The purpose and intent of this measure is to appropriate funds to support the investigative stage of the Pacific International Space Center for Exploration Systems (PISCES) Sustainable Concrete Initiative.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and eight individuals.

Your Committee finds that the PISCES initiative will provide new education and training programs in engineering, architecture, and materials science and incorporate advanced manufacturing technologies, such as 3-D printing, that will expand and thereby diversify the State's economic base. This measure will also provide a creative and cost-effective means for manufacturing construction materials in Hawaii, using indigenous basaltic resources that will decrease Hawaii's dependence on concrete imports.

Your Committee has amended this measure by:

- (1) Amending the appropriation to an unspecified amount; and
- (2) Changing the effective date from July 1, 2013, to July 1, 2050, to promote 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. 930, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 930, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 595      Ways and Means on S.B. No. 681**

The purpose and intent of this measure is to establish a Food Security Task Force to develop an emergency food plan for the State that addresses certain food security issues resulting from an emergency, catastrophic event, or quarantine.

Your Committee received written comments in support of this measure from three individuals. The University of Hawaii submitted written comments.

Your Committee finds that in the event of an emergency, catastrophic event, or quarantine, the issue of food security would become of paramount importance because of the State's heavy reliance on imported food. Your Committee believes that the Food Security Task Force will improve the State's preparedness for meeting the food needs of Hawaii's residents and visitors should an event occur that prevents cargo ships from reaching port or aircraft from dropping supplies.

Your Committee has amended this measure by:

- (1) Appropriating an unspecified sum to be expended by the University of Hawaii for costs incurred by the Food Security Task Force;
- (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. 681, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 681, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 596      Ways and Means on S.B. No. 665**

The purpose and intent of this measure is to address the shortage of primary care physicians in the State.

More specifically, this measure appropriates funds to the Hawaii Health Corps and diversity and primary care workforce expansion programs at the University of Hawaii John A. Burns School Of Medicine.

Your Committee received written comments in support of this measure from the Hawaii Medical Association.

Your Committee finds that there is a shortage of primary care physicians in the State, especially in its rural areas. Your Committee finds that expanding the infrastructure and capacity of the current teaching hospitals will enable those facilities to train more medical residents and students who will be more likely to remain in Hawaii to practice medicine after their training is finished. Accordingly, your Committee finds that increasing the number of primary care physicians will improve access to medical care and preventative treatment for the residents of the State and help control health care costs.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts; and
- (2) Changing the effective date from July 1, 2013, to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 665, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 665, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Espero).

**SCRep. 597      Ways and Means on S.B. No. 664**

The purpose and intent of this measure is to appropriate funds for the Hawaii Health Systems Corporation Primary Care Training Program at the Hilo Medical Center.

Your Committee received written comments in support of this measure from the Hawaii County Council, Kauai County Council, County of Hawaii Office of Aging, Hawaii Health Systems Corporation East Hawaii Regional Board, Japanese Chamber of Commerce and Industry of Hawaii, Hilo Medical Center Foundation, Healthcare Association of Hawaii, and fourteen concerned individuals.

Your Committee received written comments on this measure from the Hilo Medical Council, the University of Hawaii at Hilo College of Pharmacy, Hui Malama Ola Na 'Oiwi Native Hawaiian Health Care System, and two concerned individuals.

Your Committee recognizes that there is a severe shortage of healthcare providers in the State, especially primary care providers. Accordingly, your Committee finds that funding the expansion of the Hawaii Health Systems Corporation Primary Care Training Program at the Hilo Medical Center will benefit the State by providing training for more primary care providers and thereby improving access to health care services.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) 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. 664, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 664, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 598      Ways and Means on S.B. No. 539**

The purpose and intent of this measure is to exempt certain totally and permanently disabled veterans from motor vehicle registration expenses under section 286-51, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Office of Veterans Services and one individual.

Your Committee received written comments on this measure from the Department of Customer Services, City and County of Honolulu.

Your Committee finds that it is necessary to help those brave men and women who have served valiantly in the United States military and sacrificed to make our country safe. Your Committee finds that an exemption from motor vehicle registration fees will provide financial relief to disabled veterans who reside in the State, many of whom are unable to pursue paid employment due to their total and permanent service-related disability.

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 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. 539, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 539, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 599 (Majority) Ways and Means on S.B. No. 495**

The purpose and intent of this measure is to implement the recommendations of the Insurance Verification Working Group.

More specifically, this measure:

- (1) Establishes a working group attached to the Department of Commerce and Consumer Affairs to assist in the development of requests for proposals and vendor selection for a motor vehicle insurance verification program;
- (2) Requires the working group to provide recommendations on ways to exclude commercial vehicles from the motor vehicle insurance verification program and an alternative means for small insurers to fulfill reporting requirements;
- (3) Increases the annual motor vehicle registration fee;
- (4) Removes duplicative and unnecessary requirements for insurance identification cards and safety inspection requirements; and
- (5) Allocates a portion of motor vehicle registration fees to be deposited to the credit of the compliance resolution fund and allocates a portion of certain fines to be deposited into the general fund.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Department of Customer Services, City and County of Honolulu.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii and the Hawaii Insurers Council.

Your Committee finds that Senate Concurrent Resolution No. 97, S.D. 1, Regular Session of 2012, requested the Insurance Commissioner to convene a working group to explore the creation of a program to track uninsured motorists. Pursuant to the Senate Concurrent Resolution, the working group was requested to:

- (1) Explore the creation of a web services-based database program to track uninsured motorists;
- (2) Establish a mechanism for funding the uninsured motorist database program and recommend penalties or sanctions for motorists found to be in violation of the State's mandatory motor vehicle insurance requirements; and
- (3) Explore other alternatives to reduce the number of uninsured motorists in the State, including alternative financing options.

Your Committee further finds that this measure implements many of the recommendations submitted by the working group in its report to the Legislature.

Your Committee has amended this measure by:

- (1) Changing in section 2, the reference to the Director of Commerce and Consumer Affairs to the respective county directors of finance, to more appropriately assign the deposit of certain motor vehicle registration fees into the compliance resolution fund;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the 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. 495, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 495, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10; Ayes with Reservations (Espero, Thielen). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 600 (Majority) Ways and Means on S.B. No. 237**

The purpose and intent of this measure is to modernize public school facilities to meet the challenges of the twenty-first century.

More specifically, this measure establishes a three-year pilot program to optimize the use of public school lands for public purposes and to generate revenue to build and retrofit twenty-first century schools and create more school-centered communities.

Your Committee received written comments in support of this measure from the Board of Education, General Contractors Association of Hawaii, IMUAlliance, and one individual. Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that the considerable amount of underused public school lands is an untapped resource that could be used for needed facilities for public purposes, such as workforce rental housing, which use could result in revenues to provide classrooms, campuses, and communities appropriate and relevant to the twenty-first century. Your Committee believes that this measure will generate opportunities to improve public school facilities and infrastructure to meet the challenges of educating Hawaii's students for the future and to improve the overall quality of education in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying that revenues and proceeds derived by the State shall be deposited in the school facilities special fund established in the measure to be administered by the Department of Education;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 237, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 237, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, none.

**SCRep. 601 Ways and Means on S.B. No. 74**

The purpose and intent of this measure is to:

- (1) Allow committed persons to create and place for sale approved products and crafts;
- (2) Allocate the proceeds of these sales to rehabilitation programs, the crime victim compensation special fund, and the committed person's account;
- (3) Require the Department of Public Safety to study other states' practices on the making and sale of arts and crafts by inmates.

Your Committee received written comments in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and a concerned individual.

Many correctional facilities across the United States have programs that allow committed persons to create and sell approved products and crafts and these programs help to reduce the rate of recidivism. Your Committee finds that this measure will encourage committed persons to develop marketable skills that will improve their ability to successfully reenter society and the workforce. Your Committee further finds that this measure will provide support for victim restitution by allocating a portion of sales proceeds for deposit into the crime victim compensation special fund.

Your Committee has amended this measure by:

- (1) Changing the allocation of proceeds from the sale of products and crafts to unspecified percentages; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 74, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 74, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 602 Ways and Means on S.B. No. 58**

The purpose and intent of this measure is to establish and appropriate funds for a statewide language access resource center and a multilingual website pilot project to be administered by the Office of Language Access.

Your Committee received written comments in support of this measure from the Department of Human Resources Development; the Department of Labor and Industrial Relations; the Office of Language Access; Catholic Charities Hawaii; Congress of Visayan Organizations; Hawaii Interpreter Action Network; and a dozen individuals. Your Committee received comments on this measure from the Hawaii Civil Rights Commission.

Your Committee finds that having a pool of qualified interpreters and translators would enable both public and private organizations to provide the necessary language access to their resources and services. In addition, having information available via website in multiple languages will provide the support needed by newly arrived immigrants and refugees to adjust successfully to life in the community.

Your Committee has amended this measure by:

- (1) Clarifying the mandate to hire bilingual staff;
- (2) Adding appropriations for fiscal year 2013-2014;
- (3) Changing the appropriations to unspecified amounts;

- (4) Changing the effective date to July 1, 2050, in order to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 58, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 603 Ways and Means on S.B. No. 5**

The purpose and intent of this measure is to provide fair compensation, in addition to rent reductions, to lessees when the State withdraws, condemns, or takes public land leased for intensive agricultural or pastoral uses and renders the land unusable for the original purposes of the lease.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation and Ulupono Initiative.

Current law provides for rent reductions if a withdrawal or taking of leased land causes the land to become unusable for the specific use for which it was originally intended. Your Committee finds that rent reduction alone is an insufficient remedy and that 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) 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 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. 5, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 5, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 604 (Majority) Commerce and Consumer Protection on S.B. No. 655**

The purpose and intent of this measure is to allow health care professionals to dispense or prescribe medication, without examination, to the partners of patients diagnosed as having a sexually transmitted disease recommended by the Centers for Disease Control and Prevention for expedited partner therapy.

Your Committee received testimony in support of this measure from the Department of Health; Hawaii Medical Association; American Congress of Obstetricians and Gynecologists, Hawaii Section; Gay Lesbian Bisexual and Transgender Caucus of the Democratic Party of Hawai'i; Planned Parenthood of Hawaii; Hawai'i Association of Professional Nurses; CHOW Project; and four individuals. 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 many patients who have been diagnosed with sexually transmitted diseases, including chlamydia and gonorrhea, have sexual partners who refuse to seek treatment. To prevent reinfection, adequate treatment of sexually transmitted diseases should include treatment of sexual partners.

Your Committee further finds that expedited partner therapy is a partner treatment approach where partners of patients who test positive for certain sexually transmitted diseases are provided medication without previous medical evaluation. Your Committee additionally finds that because of expedited partner therapy's effectiveness in reducing reinfection rates, the Centers for Disease Control and Prevention has recommended its use since 2006 among heterosexual partners of patients diagnosed with chlamydia or gonorrhea when it is unlikely the partners will seek timely evaluation and treatment. Your Committee also finds that Hawaii has high reported rates of chlamydia. The most recent Centers for Disease Control and Prevention data ranks Hawaii twenty-second in the nation for reported chlamydia infection rates, with the disease peaking in the age group between fifteen and twenty-four years.

Your Committee additionally finds that primary care providers already diagnose and treat persons with sexually transmitted diseases. Expedited partner therapy will permit primary care providers to adequately treat sexually transmitted diseases and prevent reinfection through the treatment of sexual partners. Because advanced practice registered nurses are primary care providers, amendments to this measure are necessary to include advanced practice registered nurses in the definition of "health professionals" who may provide expedited partner therapy.

Your Committee notes that, according to the Centers for Disease Control and Prevention, although expedited partner therapy is recommended for heterosexual partners, it is not routinely recommended for other populations, such as male/male partners, diagnosed with sexually transmitted diseases. Therefore, amendments are necessary to conform this measure with existing Centers for Disease Control and Prevention guidelines and recommendations.

Your Committee also finds that the Centers for Disease Control and Prevention must occasionally update treatment guidelines and recommendations related to expedited partner therapy. Therefore, an amendment to this measure is necessary to require health professionals providing expedited partner therapy to follow all relevant guidelines and recommendations of the Centers for Disease Control and Prevention.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Clarifying that “expedited partner therapy” means the indirect treatment of heterosexual partners of a patient who has been diagnosed as having a sexually transmitted disease through the dispensing or prescribing of antibiotic therapy for the treatment of the heterosexual partners without the physical examination of the heterosexual partners by a health professional;
- (3) Clarifying that “health professional” includes an advanced practice registered nurse with prescriptive authority under chapter 457, Hawaii Revised Statutes, who is duly licensed in the State;
- (4) Specifying that “sexually transmitted disease” means chlamydia or gonorrhea, as recommended by the Centers for Disease Control and Prevention for expedited partner therapy;
- (5) Requiring health professionals who provide expedited partner therapy to follow all Centers for Disease Control and Prevention guidelines related to the practices and recommendations for expedited partner therapy;
- (6) Specifying the health professionals who may provide expedited partner therapy as authorized and who are protected from criminal liability, legal liability, and disciplinary action; 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. 655, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 655, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, 1 (Slom). Excused, 1 (Taniguchi).

**SCRep. 605 Commerce and Consumer Protection on S.B. No. 15**

The purpose and intent of this measure is to:

- (1) Change the existing gasoline requirement of ten percent ethanol fuel content to at least five percent biofuel content; and
- (2) Alter the reporting requirements for biofuel distributors.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from General Motors LLC, Truck and Engine Manufacturers Association, and Western States Petroleum Association. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism and Alliance of Automobile Manufacturers.

Your Committee finds that this measure replaces the existing ethanol mandate with a more flexible requirement for motor fuels to contain at least five percent biofuel by volume. However, your Committee has heard the concerns that the biofuel requirement in this measure is required for all fuels for motor vehicles in Hawaii. Your Committee further finds that although five percent biofuel, with certain limitations, can be used in diesel vehicles, biofuels other than ethanol cannot be used in standard gasoline engines because gasoline with ethanol is not an equal substitute for biodiesel. Although ethanol is a type of biofuel, non-ethanol biofuels are not interchangeable with ethanol for purposes of gasoline blending; ethanol-blended gasoline is used for gasoline engines, and biodiesel is used for diesel engines. Your Committee concludes that amendments to this measure are necessary to provide fuel distributors flexibility and a market for biofuels, while also recognizing the different biofuel requirements for diesel fuel.

Your Committee also finds that amendments to this measure are necessary to clarify that biofuels must meet relevant ASTM International standards, thus ensuring biofuels sold in the State will meet appropriate specifications and quality standards. Your Committee notes that an intent of this measure was to create a more robust industry for biofuel. To support this, an amendment requiring biofuel to be locally produced is also needed.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the language that required all liquid motor vehicle fuels sold in the State to contain at least five percent biofuel by volume;
- (2) Inserting language to specify that each distributor who sells liquid fuels in the State for use in motor vehicles shall ensure that locally-produced biofuels account for at least five percent of the distributor’s annual sales of liquid fuels for motor vehicles by volume; provided that for diesel fuel, no more than five percent of locally-produced biofuel shall be required;
- (3) Clarifying that any biofuel shall meet the relevant ASTM International specifications of latest issue;
- (4) Amending the purpose section for clarity; and
- (5) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 15, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 15, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 606 Ways and Means on S.B. No. 30**

The purpose of this measure is to improve the administration of the partial public financing program for election candidates who voluntarily limit their campaign expenditures.

Specifically, this measure, with regard to the program:

- (1) Requires that affidavits to voluntarily limit campaign expenditures be filed no later than the time of filing nomination papers; and
- (2) Increases the statutory campaign expenditure limit for prosecuting attorney candidates by placing these candidates in the same category as candidates for state senator, state representative, and county council member.

Your Committee received written comments on this measure from the Campaign Spending Commission.

Your Committee finds that the establishment of a deadline for filing affidavits to voluntarily limit campaign expenditures will assist the Campaign Spending Commission in implementing the partial public financing program. In addition, this measure promotes fairness in the administration of the program by placing candidates for the office of prosecuting attorney in an allowable expenditures category that is more appropriate for a county-wide office.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 30, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 30, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Kouchi).

**SCRep. 607 Ways and Means on S.B. No. 563**

The purpose and intent of this measure is to reconstitute the form and processes of the Regents Candidate Advisory Council for the Board of Regents for the University of Hawaii to improve the Governor's ability to appoint qualified individuals to serve as members of the University of Hawaii Board of Regents.

More specifically, this measure:

- (1) Establishes the candidate advisory council and qualifications for its membership and places it temporarily in the Office of the Governor for administrative purposes;
- (2) Describes the duties of the council and procedures for selecting candidates to fill vacancies on the Board of Regents; and
- (3) Requires the Governor and the Senate to consider certain issues and take specific actions when participating in the nomination and confirmation process for the Board of Regents.

Your Committee received written comments in support of this measure from the Policy Office of the Governor.

Your Committee received written comments in opposition to this measure from the University of Hawaii Regents Candidate Advisory Council.

Your Committee finds that this measure would improve the Governor's ability to appoint a diversified, complementary, and dynamic Board of Regents from among a list of qualified individuals.

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. 563, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 563, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 608 Ways and Means on S.B. No. 614**

The purpose and intent of this measure is to appropriate funds for the Comptroller and the State Foundation on Culture and the Arts to commission permanent works of art to honor the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink.

Your Committee finds that Senator Daniel K. Inouye and Representative Patsy T. Mink loyally served the interests of the State and that their contributions to the State merit the commissioning of a work of art to portray each of their legacies. Accordingly, your Committee finds that this measure provides the means to ensure that the best possible depiction of the Senator and Representative are created and displayed.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount;

- (2) Clarifying that the winning designs shall be selected from among the design entries submitted to the State Foundation on Culture and the Arts; and
- (3) Changing the effective date of the Act from July 1, 2013, to July 1, 2050, to promote 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. 614, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 614, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 609      Ways and Means on S.B. No. 878**

The purpose and intent of this measure is to clarify the authority of arbitrators in arbitration proceedings.

More specifically, this measure authorizes arbitrators to award costs in addition to other expenses and attorney's fees if the arbitration award is authorized by law in civil actions involving a comparable, rather than the same, claim.

Your Committee finds that this measure clarifies that arbitrators are allowed to award "costs" such as deposition transcripts fees, witness fees, copying costs, and similar expenditures in an arbitration proceeding. Your Committee also recognizes that arbitration procedures address a wide range of issues and disputes and that providing arbitrators the same ability as courts to award attorney's fees, costs, and other reasonable expenses for a comparable claim allows arbitrators more flexibility and discretion in making these awards.

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. 878, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 878, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 610      (Majority) Ways and Means on S.B. No. 883**

The purpose and intent of this measure is to establish a new collective bargaining unit to represent first responder employees, including state law enforcement officers and state and county ocean safety and water safety officers.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association; Ocean Safety and Lifeguard Services Division, City and County of Honolulu; Hawaiian Lifeguard Association; and numerous concerned individuals.

Your Committee received written comments on this measure from the Department of Public Safety and the Department of Budget and Finance.

Your Committee finds that state law enforcement officers and state and county ocean safety and water safety officers risk their own well-being to protect the lives and safety of others on a daily basis. Your Committee further finds that collective bargaining is a constitutionally and statutorily protected right for all appropriate employees.

Your Committee has amended this measure by:

- (1) Changing the name of the new collective bargaining unit from "first responders including state law enforcement officers and state and county ocean safety and water safety officers" to "state law enforcement officers and state and county ocean safety and water safety officers" for clarity; 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 is in accord with the intent and purpose of S.B. No. 883, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 883, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 611      (Majority) Ways and Means on S.B. No. 997**

The purpose and intent of this measure is to clarify the duties of the State Archivist.

The measure also:

- (1) Authorizes the State Archivist to charge a preservation fee for permanent documents filed or registered by the public; and
- (2) Establishes a state archives preservation and long-term access special fund in which the preservation fee is to be deposited.

The Department of Accounting and General Services submitted written comments in support of this measure.

Your Committee finds that authorizing the State Archivist to charge a preservation fee will provide revenue to fund the preservation and management of electronic records. A centralized archive for digital records will reduce state expenses by eliminating duplicative services and will benefit the public by providing a single location to search for preserved information.



Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 997, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 997, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 612 (Majority) Ways and Means on S.B. No. 1143**

The purpose and intent of this measure is to support the activities of the Office of Environmental Quality Control.

More specifically, the purpose and intent of this measure is to:

- (1) Establish the environmental review special fund to:
  - (A) Support and maintain technology systems for the Office;
  - (B) Support outreach, training, education, and research regarding environmental stewardship; and
  - (C) Provide for the hiring of adequate staff for the Office;
- (2) Establish fees to enhance the activities of the Office of Environmental Quality Control; and
- (3) Authorize the Office to expend \$25,000 out of the environmental review special fund.

Your Committee received written comments in support of this measure from the Office of Environmental Quality Control, the Conservation Council for Hawaii, and the Nature Conservancy.

Your Committee received written comments on this measure from the Hawaii Community Development Authority.

Your Committee finds that this measure is a reasonable and appropriate means to support the operations of the State Office of Environmental Quality Control, which administers the environmental review law under chapter 343, Hawaii Revised Statutes. Your Committee also finds that this measure promotes the State's interest in improving, maintaining, and protecting the environment.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050, to promote further discussion on the measure;
- (2) Amending the appropriation to an unspecified amount; and
- (3) 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. 1143, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1143, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 613 (Majority) Ways and Means on S.B. No. 1213**

The purpose and intent of this measure is to provide that one-half of the franchise tax paid by electric light and power public utilities be allocated to the Department of Transportation Highways Division to fund the operation and maintenance of state highway facilities.

Your Committee received written comments in opposition to this measure from the City and County of Honolulu and the Hawaii Council of Mayors.

Your Committee finds that electric utilities in Hawaii have long benefited from the free use of public rights-of-way along state highways. The 1954 joint pole agreement between the Territory of Hawaii and the counties allowed for free leases of public rights-of-way to the franchise utilities for placement of power poles and other utility facilities. Your Committee notes that public utilities historically have charged cable and communications companies for the use of their utility poles located in these rights-of-way, but have remitted none of these profits to the State, which owns the rights-of-way. The Department of Transportation Highways Division is responsible for the repair, removal, relocation, or replacement of public utility company infrastructure that impacts public highway projects. However, none of the franchise tax paid by public utility companies under section 240-1, Hawaii Revised Statutes, is paid to the State. Your Committee further finds that payment of a percentage of the utility franchise tax to the Department of Transportation, for deposit into the state highway fund, would compensate the State for the public utility's use of the public rights-of-way and provide a financial resource for the State to maintain and operate its highways, including the public rights-of-way and utility systems located along the highways.

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. 1213, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1213, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Keith-Agaran). Noes, 1 (Slom). Excused, none.

**SCRep. 614 Ways and Means on S.B. No. 1214**

The purpose of this measure is to abolish the Commission on Transportation.

Written comments in opposition to this measure were submitted by the Commission on Transportation.

Your Committee finds that the Commission on Transportation was created as an advisory committee to the Department of Transportation and is no longer necessary. Your Committee further finds that abolishing the Commission on Transportation will streamline the operations of the Department.

Your Committee has amended this measure to correctly reflect the present text of section 26-19, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1214, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1214, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 615 Ways and Means on S.B. No. 1249**

The purpose and intent of this measure is to clarify the compensation to which trustees are entitled.

One individual submitted written comments in support of this measure.

Your Committee finds that past ambiguities in the law regarding trustee compensation have led to disputes between beneficiaries and trustees that resulted in litigation. Your Committee further finds that clarifying the trustee fee provisions will create a compensation system that is fair to beneficiaries and trustees and will thereby reduce the need for court intervention.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussions on the measure; 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. 1249, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1249, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Espero).

**SCRep. 616 Ways and Means on S.B. No. 1103**

The purpose and intent of this measure is to make an emergency appropriation from the nursing facility sustainability program special fund of \$12,000,000 for fiscal year 2012-2013 to be used in accordance with the purposes of that fund, including the reimbursement of moneys advanced for those purposes in fiscal year 2012-2013 from the health care payments program.

Your Committee received comments in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, Pearl City Nursing Home, and two concerned individuals.

Your Committee finds that private nursing facilities are often underpaid for the care provided to Medicaid enrollees. The nursing facility sustainability program special fund was established by Act 156, Session Laws of Hawaii 2012, to address this shortfall by assessing fees on nursing facilities and utilizing those moneys to draw down federal dollars to help offset their uncompensated care. While those fees are being assessed, the Department of Human Services, in good faith, has advanced moneys from the Medicaid health care payments program so that payments to private nursing facilities would not be delayed.

This measure will authorize the expenditure of funds from the nursing facility sustainability program special fund to ensure that the Department of Human Services will be able to continue making supplemental payments to nursing facilities and avoid a shortfall for the moneys it has already advanced.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1103 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 617 Ways and Means on S.B. No. 1102**

The purpose and intent of this measure is to make an emergency appropriation of \$43,000,000 for fiscal year 2012-2013 out of the hospital sustainability program special fund to be used in accordance with the purposes of that fund, including the reimbursement of moneys advanced in fiscal year 2012-2013 from the health care payments program.

Your Committee received written comments in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, and the North Hawaii Community Hospital.

Your Committee received written comments on this measure from Hawaii Pacific Health and Hawaii Health Systems Corporation.

Your Committee finds that payments to hospitals for care provided to Medicaid enrollees often do not cover the cost of that care. To offset the uncompensated care, the hospital sustainability program, established in 2012, allows the Department of Human Services to assess fees on hospitals and utilize the moneys received to draw down federal dollars for supplemental payments to hospitals. While those fees are being collected, the Department of Human Services, in good faith, has advanced moneys from the Medicaid health care payments program to avoid delays in payments to private hospitals. This measure authorizes the expenditure of funds from the hospital sustainability program special fund to ensure that the Department of Human Services can continue making supplemental payments to hospitals and avoid a shortfall for the moneys it has already advanced.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1102 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 618      Ways and Means on S.B. No. 327**

The purpose and intent of this measure is to amend the Hawaii State Planning Act to establish a policy of:

- (1) Increasing the purchase and use of Hawaii-grown food by residents, businesses, and governmental bodies; and
- (2) Encouraging residents and visitors to support Hawaii's farmers by purchasing locally-grown products.

Your Committee received written comments in support of this measure from the Office of Planning.

Your Committee finds that food insecurity and growing obesity are severe challenges facing the State. It has been reported that one in every three children born in the year 2000 is expected to develop diabetes at some point in their lives and that more than nineteen per cent of Hawaii residents live in food insecure households. Your Committee also finds that promoting the consumption of locally-grown food will increase the availability of fresh, high quality produce throughout the State. Your Committee believes that the adoption of this policy will help ensure that agriculture is a driving economic force in Hawaii, which will lead to job creation and improved food security 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. 327, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 619      (Majority) Ways and Means on S.B. No. 902**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (8) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (8) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 902, 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, none.

**SCRep. 620      (Majority) Ways and Means on S.B. No. 903**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (8) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (8) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 903 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 621      (Majority) Ways and Means on S.B. No. 905**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (9) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (9) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 905, 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, none.

**SCRep. 622 (Majority) Ways and Means on S.B. No. 906**

The purpose of this measure is to appropriate funds for Hawaii Employee-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (3) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (3) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 906, 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, none.

**SCRep. 623 (Majority) Ways and Means on S.B. No. 907**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (9) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (9) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 907, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 624 (Majority) Ways and Means on S.B. No. 909**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (13) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (13) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 909, 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, none.

**SCRep. 625 Ways and Means on S.B. No. 1289**

The purpose and intent of this measure is to require payors of non-wage payments for construction services valued at \$600 or more to report the payments to the Department of Taxation and the provider of the construction services.

In addition, the measure also establishes a fine of:

- (1) \$10,000 for failure to file a report or filing an incomplete report; and
- (2) \$20,000 for knowingly failing to file a report, or knowingly filing an incomplete, false, or misleading report.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Regional Council of Carpenters, Hawaii Construction Alliance, and Pacific Resource Partnership. One individual testified in opposition to the measure. The Department of Taxation, Office of Information Practices, and Tax Foundation of Hawaii submitted comments.

Your Committee finds that federal law requires form 1099 reporting only if the subcontractor or service provider is unincorporated. Although most construction businesses are incorporated, some unscrupulous construction businesses that are unincorporated may underreport income and defraud the State of tax revenues. Your Committee finds that this measure will close this loophole by requiring reporting of payments for construction services irrespective of whether the business is incorporated.

Your Committee has amended this measure by:

- (1) Clarifying that the report is to reflect the aggregate payments made to each provider of construction services and that the manner of reporting prescribed by the Department of Taxation may include mandatory electronic submission;
- (2) Requiring that reports include the tax identification number of the payor;
- (3) Changing the deadline for the report to be submitted to the Department of Taxation to “on or before the last day of the third month following the close of the taxable year in which the payments were made”;
- (4) Requiring the payor, instead of the Department of Taxation, to also transmit the report to the Director of Labor and Industrial Relations;
- (5) Changing the penalties to provide that:
  - (A) A payor who fails to file a report by the due date shall be assessed a civil penalty of \$1,000 per month for each month the report is not filed, not to exceed a total of \$6,000 for every annual report not filed; and
  - (B) A payor who wilfully fails to file a report by the due date shall be subject to section 231-35, Hawaii Revised Statutes;
- (6) Changing the taxable years to which the Act applies from those beginning after December 31, 2012, to those beginning after December 31, 2050, to facilitate further discussion on this measure; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1289, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Sлом). Noes, none. Excused, 3 (Kahele, Kouchi, Tokuda).

**SCRep. 626 Ways and Means on S.B. No. 933**

The purpose and intent of this measure is to extend the state general excise tax exclusion 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 Chamber of Commerce of Hawaii and UnitedHealthcare Military & Veterans - Hawaii.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that the TRICARE program is a federal government program that provides health care services to over nine million Americans, composed of active duty, reserve, and retired members of the United States uniformed services, their family members, and survivors, including approximately one hundred fifty thousand current and former service members and their family members who reside in Hawaii. The TRICARE program contracts with third-party administrators, known as “managed care support contractors,” to establish and maintain networks of TRICARE-authorized civilian health care providers in various regions of the United States. On behalf of the United States Department of Defense, managed care support contractors make advances to health care providers, including doctors, hospitals, and other providers, for costs of health care services provided to TRICARE beneficiaries. The United States Department of Defense reimburses managed care support contractors for the actual cost or advancement made to third-party health care providers.

Citing concerns that uncertainty existed about whether 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, on behalf of the federal government, were subject to the state general excise tax, the Legislature enacted Act 70, Session Laws of Hawaii 2009, to clarify that the amounts received by a managed care support contractor of the TRICARE program are not subject to the state general excise tax. This measure extends the general excise tax exclusion for an additional two years.

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 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. 933, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 933, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 627 Commerce and Consumer Protection on S.B. No. 1301**

The purpose and intent of this measure is to:

- (1) Authorize the Board of Electricians and Plumbers to regulate plumber air conditioning and refrigeration pipefitters and plumber fire sprinkler pipefitters;
- (2) Revise the minimum qualifications of various journey worker plumbers and master plumber beginning on July 1, 2015;

- (3) Exclude certain work from the owner-builder licensing exemption; and
- (4) Include individuals performing plumber air conditioning and refrigeration pipefitter work or plumber fire sprinkler pipefitter work and boiler hot-water heating and steam fitting contractors, fire protection contractors, refrigeration contractors, and ventilation and air conditioning contractors employing certain individuals on a construction job site under the requirement of section 444-9.5, Hawaii Revised Statutes, that at least half of the individuals performing certain work be licensed in accordance with chapter 448E, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Board of Electricians and Plumbers; Plumbers and Fitters Union, Local 675; Plumbing and Mechanical Contractors Association of Hawaii; Hawaii Building and Construction Trades Council, AFL-CIO; and Hawaii Insurers Council. Your Committee received testimony in opposition to this measure from the General Contractors Association of Hawaii; Sheet Metal Workers' International Association, Local Union 293; Hawai'i Construction Alliance; AMV Air Conditioning Inc.; Complete Construction Services Corp.; Hawaii Laborers' Union; Guss and Kopp Development; and Hawaii Laborers-Employers Cooperation and Education Trust. Your Committee received comments on this measure from the Contractors License Board; Building Industry Association of Hawaii; and International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local Union Number 625.

Your Committee finds that the State Building Code Council is in the process of adopting the next set of codes. With the growing trend and necessity for water conservation, building codes are changing to reduce water flow and encourage the safe use of reclaimed non-potable water. Currently, only potable water is piped into residential and commercial buildings. However, your Committee further finds that the plumbing industry will be adopting the 2012 Uniform Plumbing Code, which significantly expands the use of non-potable water in residential and commercial buildings, including applications in air conditioning systems, refrigeration systems, and fire sprinkler systems. New applications of non-potable water will result in a complex network of potable and non-potable water piping within a residence or building and will increase the possibility of dangerous cross connections if the individuals working on these systems are not properly trained.

Your Committee additionally finds that with the newly created non-potable water technologies and processes, it is necessary to provide the public with assurances that properly trained and experienced individuals can install, maintain, and repair air conditioning, refrigeration, and fire sprinkler systems that are in compliance with national codes and guidelines intended to protect public health and safety.

Your Committee notes that the intent of this measure, as it relates to the licensing of tradespersons to perform air conditioning and refrigeration or fire sprinkler work, is to prepare and train the workforce to handle the changes and innovations related to non-potable water technologies and processes. However, your Committee has heard concerns that this measure, as introduced, contains overly broad references to pipefitting and would require new licensing for workers who are currently regulated under other chapters of the Hawaii Revised Statutes. Your Committee understands these concerns and notes that the Department of Commerce and Consumer Affairs has been working with interested stakeholders to reach a consensus on these issues.

Your Committee finds that amendments to this measure are necessary to narrow the work related to pipefitting and clarify that the scope of this work is limited to pipefitting associated with plumbing, air conditioning and refrigeration, or fire sprinkler work. Amendments to this measure are also necessary to delay implementation of the continuing competency requirements for journey worker air conditioning and refrigeration plumbers and journey worker fire sprinkler plumbers. Your Committee notes that the Board of Electricians and Plumbers intends to work closely with the University of Hawaii community colleges and the testing contractor to ensure that the continuing competency courses and examinations for the new licensing types will be available soon after June 30, 2018. This will provide journey worker air conditioning and refrigeration plumbers and journey worker fire sprinkler plumbers sufficient time to meet the continuing competency requirements by June 30, 2021.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Removing language that would have excluded certain work from the owner-builder licensing exemption;
- (3) Removing language that would have amended section 444-9.5, Hawaii Revised Statutes, regarding the percentage of licensed individuals on a job necessary to perform certain work;
- (4) Narrowing and clarifying the definitions of "journey worker air conditioning and refrigeration plumber"; "journey worker fire sprinkler plumber", "journey worker plumber", and "master plumber";
- (5) Clarifying certain minimum qualifications for journey worker specialty electricians, journey worker plumbers, and journey worker industrial electricians;
- (6) Clarifying the minimum requirements that an applicant for licensure pursuant to chapter 448E, Hawaii Revised Statutes, must possess and delaying the effective date of the requirements to July 1, 2016;
- (7) Specifying that journey worker air conditioning and refrigeration plumbers and journey worker fire sprinkler plumbers shall renew their licenses every three years effective June 30, 2018;
- (8) Specifying requirements for licensure renewal beginning June 30, 2021, and thereafter;
- (9) Clarifying the continued competency requirements for licensure renewal;
- (10) Removing language related to the counties' rights to inspect plumber air conditioning and refrigeration pipefitters and plumber fire sprinkler pipefitters;
- (11) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this amended measure is a work in progress. The Department of Commerce and Consumer Affairs will continue to work with the original proponents and opponents of this measure to ensure that concerns related to cross contamination from non-potable water are appropriately addressed, while also remaining mindful of the existing licensing requirements for other trades. This amended measure is not intended to require licensure for workers of any trade other than air conditioning and refrigeration or fire sprinkler and does not include the work customarily performed by the sheet metal industry. This amended measure is also not intended to require licensure for all workers performing pipefitting; rather it focuses on the pipefitting associated with plumbing, air conditioning and refrigeration, or fire sprinkler work and does not preclude other properly licensed contractors from performing pipefitting work within the scope of their license.

Your Committee also notes that this amended measure is intended to be used as a starting point for discussions as this measure moves through the Legislative process. Your Committee is encouraged by the discussions on this measure and is hopeful that consensus among all parties can be reached during this 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 S.B. No. 1301, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1301, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 6; Ayes with Reservations (Nishihara, Solomon, Taniguchi). Noes, none. Excused, 1 (Slom).

**SCRep. 628      Tourism and Hawaiian Affairs on S.B. No. 407**

The purpose and intent of this measure is to amend statutory provisions relating to composition and quorum of island burial councils.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Oahu Island Burial Council, Oahu Council Association of Hawaiian Civic Clubs, Society of Hawaiian Archaeology, and two individuals.

Your Committee finds that certain island burial councils are having difficulty recruiting enough members to make quorum. Some councils are unable to fill regional representative council seats, and other councils are unable to fill landowner council seats. Your Committee concludes that this measure requires further clarification to ensure that each council will be able to make quorum.

Accordingly, your Committee has amended this measure by:

- (1) Decreasing the number of council members for the Kaua‘i/Ni‘ihau council from eleven members to nine members;
- (2) Decreasing the number of council members for the Moloka‘i council from nine members to five members; provided that the Moloka‘i council has no more than one representative of development and large property owner interests;
- (3) Adding a representative from the geographic region of Honua‘ula to the Maui/Lana‘i council;
- (4) Identifying Waimea and Na Pali as one geographic region as opposed to two separate geographic regions;
- (5) Granting the Office of Hawaiian Affairs the discretion to provide the Governor with a list of regional representative nominees separate from the list submitted by the Department of Land and Natural Resources and, if submitted, requiring a minimum of twenty percent of the regional vacancies to be filled by qualified candidates from the Office of Hawaiian Affairs’ list;
- (6) Deleting the requirement that the Office of Hawaiian Affairs develop the list of regional representative nominees in consultation with appropriate Hawaiian organizations; 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 Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 407, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 407, 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, 3 (Hee, Kahele, Slom).

**SCRep. 629      (Joint/Majority) Tourism and Hawaiian Affairs and Ways and Means on S.B. No. 1201**

The purpose and intent of this measure is to clarify that a resort fee or other surcharge imposed by a transient accommodations operator, owner, plan manager, or representative is subject to the transient accommodations tax.

Your Committees received testimony in support of this measure from the Department of Taxation. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority, Hyatt Regency Maui Resort and Spa, Destination Resorts Hawaii Inc., Maui Hotel and Lodging Association, Starwood Hotels and Resorts, Outrigger Enterprises Group, and Hawaii Lodging and Tourism Association. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that there is confusion over the type of transient accommodation fees that are subject to the transient accommodations tax. Your Committees conclude that mandatory resort fees or mandatory surcharges are subject to the transient accommodations tax because the guest must pay these fees in order to use the transient accommodation. Accordingly, your Committees have amended this measure by:

- (1) Amending the definition of “resort fee” to mean any mandatory charge or surcharge imposed by a transient accommodations operator, owner, plan manager, or representative thereof to a transient or occupant for the use of the transient accommodation’s property, services, or amenities and making conforming amendments;

- (2) Inserting an effective date of 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 Tourism and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1201, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 4; Ayes with Reservations (Kidani). Noes, 1 (Slom). Excused, 3 (Hee, Shimabukuro, Solomon).

Ways and Means

Ayes, 12; Ayes with Reservations (Chun Oakland, Kidani). Noes, 1 (Slom). Excused, none.

**SCRep. 630 (Joint/Majority) Economic Development, Government Operations and Housing and Technology and the Arts and Public Safety, Intergovernmental and Military Affairs on S.B. No. 1236**

The purpose and intent of this measure is to require the installation of fiber optic cable systems in new single-family, duplex, condominium, and apartment dwellings by precluding the issuance of a building permit unless the new single-family, duplex, condominium, or apartment dwelling includes a fiber optic cable system that meets requirements to be established by rule.

Your Committees received testimony in support of this measure from the Office of Information Management and Technology, Hawaiian Telcom, and one individual. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs and the Building Industry Association of Hawaii.

Your Committees find that it is important to promote the development and expansion of advanced broadband systems in Hawaii because they enhance disaster management capabilities, emergency services, information access, and public communication and drive opportunities for business, education, and health care. Your Committees also believe that the use of incentives may help in advancing the development and expansion of broadband systems. Your Committees are concerned, however, about placing an undue financial burden on homeowners who may never need or be able to use broadband systems or who may live in areas better served by technologies other than broadband systems.

Your Committees have amended this measure by:

- (1) Making the measure applicable to new condominiums subject to chapter 514B, Hawaii Revised Statutes, and new planned communities, rather than to new single-family, duplex, condominium, or apartment dwellings; and
- (2) Changing the effective date to January 1, 2018, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Technology and the Arts, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1236, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1236, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 5. Noes, 1 (Slom). Excused, 1 (English).

Technology and the Arts

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Tokuda).

Public Safety, Intergovernmental and Military Affairs

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Galuteria, Green).

**SCRep. 631 Technology and the Arts on S.B. No. 1171**

The purpose and intent of this measure is to:

- (1) Authorize the phased review of projects by the Department of Land and Natural Resources' State Historic Preservation Division (SHPD) to ensure consistency between state and federal law; and
- (2) Delete language that provided the Governor with the option to request the Hawaii Advisory Council on Historic Preservation to report an action to overrule or sustain a department when an agency, officer, or other person is dissatisfied with a decision of the Hawaii Historic Places Review Board.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; Department of Transportation; Department of Design and Construction, City and County of Honolulu; Townscape, Inc.; and one individual. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs, Historic Hawai'i Foundation, Society for Hawaiian Archaeology, Association of Hawaiian Civic Clubs, Native Hawaiian Legal Corporation, and one individual.

Your Committee finds that Hawaii must preserve its historic and cultural heritage through adaptable preservation plans. The inability to phase review would negatively affect certain projects, particularly complex multi-year, multi-phase projects. For instance, if the Department of Transportation's projects cannot be phased, it is possible that new highways could not be built or old highways could not be widened.



Your Committee further finds that SHPD rules are silent on phased reviews but state that SHPD must review a project in its entirety. The Hawaii Supreme Court ruling in *Kaleikini v. Yoshioka* stated that SHPD improperly allowed for a phased review of the Honolulu Rapid Transit Corridor rail project based on federal regulations allowing for a phased review of linear projects. This measure gives SHPD greater flexibility to address preservation plans and measures in alignment with federal laws.

Your Committee has amended this measure by:

- (1) Limiting the Department of Land and Natural Resources' authorization for phased review to proposed projects consisting of corridors of large land areas, where access to properties is restricted, or where circumstances dictate that construction be done in stages;
- (2) Inserting an effective date of January 1, 2050, to encourage 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 Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1171, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1171, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Nishihara, Tokuda).

**SCRep. 632 (Joint) Tourism and Hawaiian Affairs and Ways and Means on S.B. No. 170**

The purpose and intent of this measure is to expand the powers and duties of the Hawaii Tourism Authority to include perpetuating the uniqueness and importance of the native Hawaiian culture and community and the importance of the native Hawaiian culture and community to the quality of the visitor experience by ensuring that:

- (1) Native Hawaiian culture is accurately portrayed by Hawaii's visitor industry;
- (2) Native Hawaiian cultural practitioners and cultural sites that give value to Hawaii's heritage are supported, nurtured, and engaged in sustaining the visitor industry; and
- (3) A native Hawaiian cultural education and training program is provided for the visitor industry workforce having direct contact with visitors.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Department of Transportation, and four individuals.

Your Committees find that, in a competitive tourism market, native Hawaiian practices such as ho'okipa, or greeting and welcoming strangers, are a large part of what makes a Hawaii visitor's experience unique. It is vital to the tourist industry that the State preserves the dignity of the native Hawaiian culture and preserves those attributes that make Hawaii a desirable destination and top visitor attraction.

Your Committees have amended this measure by:

- (1) Clarifying that the Hawaii Tourism Authority, in perpetuating the uniqueness and importance of the native Hawaiian culture to visitors, must support and normalize the Hawaiian language as an official language of the State and as a foundation of the host culture that attracts visitors to Hawaii; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 170, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 170, S.D. 2, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Solomon).

Ways and Means

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Kouchi, Tokuda).

**SCRep. 633 Judiciary and Labor on S.B. No. 472**

The purpose and intent of this measure is to:

- (1) Establish a civil violation for possession of one ounce or less of marijuana that is subject to a fine of not more than \$100 to be deposited into the early intervention special fund;
- (2) Specify that the early intervention special fund shall include fines and penalties for the civil violation of possessing one ounce or less of marijuana;
- (3) Preclude the courts and Hawaii Paroling Authority from requiring substance abuse treatment for defendants or paroled prisoners found in possession of one ounce or less of marijuana; and
- (4) Make various conforming amendments to statutes to reflect the establishment of the civil violation for possession of marijuana of one ounce or less.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawai'i, Community Alliance on Prisons, IMUAlliance, The Drug Policy Forum of Hawai'i, The Drug Policy Action Group, National Organization for the Reform of Marijuana Laws, and fifty-seven individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General; Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, City and County of Honolulu; Police Department, County of Hawai'i; Police Department, County of Maui; Hawaii Gas; Coalition for a Drug-Free Hawaii; and thirty-five individuals.

Your Committee finds that section 712-1249, Hawaii Revised Statutes, establishes the offense of promoting a detrimental drug in the third degree if a person knowingly possesses any marijuana in any amount. This offense is a petty misdemeanor that is punishable by up to a \$1,000 fine and thirty days of imprisonment. Recent polls have shown that there is growing sentiment among voters for making marijuana possession for personal use a civil violation instead of a crime. This measure decriminalizes the possession of one ounce or less of marijuana and makes such possession a civil violation subject to a fine not to exceed \$100.

Your Committee notes the testimony in opposition to this measure. Specifically, the Department of the Attorney General testified in opposition that this measure is contrary to federal law that makes it illegal to grow, distribute, or use marijuana. The Department of the Prosecuting Attorney of the City and County of Honolulu testified that the federal schedule of controlled substances was recently updated in September 2012 and continues to list marijuana as a schedule 1 controlled substance despite the ongoing debate about the physical effects of marijuana.

The Department of the Attorney General also testified that the deposit of the civil fines under this measure into the early intervention special fund appears to be inconsistent with section 37-52.3(2), Hawaii Revised Statutes, which requires that monies deposited into a special fund have a clear nexus between the benefits sought and the charges made upon the users or beneficiaries of the program. The Department indicated that there does not appear to be a clear nexus between marijuana fines and early intervention services.

Your Committee further finds that decriminalizing marijuana laws merits further discussion as this measure moves through the legislative process. However, the discussion should focus on establishing a civil violation for the possession of one ounce of or less of marijuana before amending existing marijuana-related laws.

Accordingly, your Committee has amended this measure by:

- (1) Changing the civil penalty from a fine not to exceed \$100 to a fine of \$1,000 to align with the petty misdemeanor fine under section 712-1249, Hawaii Revised Statutes;
- (2) Specifying that the civil fines and penalties for civil violations of possessing one ounce or less of marijuana shall be credited to the general fund rather than the early intervention special fund;
- (3) Deleting sections 2 through 12;
- (4) Inserting an effective date of July 1, 2050, to encourage 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. 472, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 472, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 634 (Majority Judiciary and Labor on S.B. No. 532)**

The purpose and intent of this measure is to require employers to provide a reasonable break time and clean place for breastfeeding employees to express breastmilk in order to maintain breastmilk supply and continue breastfeeding. Specifically, this measure:

- (1) Adds a new section to chapter 387, Hawaii Revised Statutes, to:
  - (A) Require certain employers to provide a reasonable break time and clean location to an employee to express breastmilk for a nursing child each time the employee has a need to express breastmilk;
  - (B) Require covered employers to post a notice, in a conspicuous place accessible to employees, regarding the opportunity to express breastmilk;
  - (C) Establish an unspecified civil fine for each violation; and
  - (D) Exempt employers who employ fewer than fifty employees from providing accommodations to express breastmilk if the requirement imposes an undue hardship; and
- (2) Repeals section 378-10, Hawaii Revised Statutes, which prohibits an employer from prohibiting an employee to express breastmilk during any meal period or other break period required by law or collective bargaining agreement.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Department of Health; Office of Hawaiian Affairs; Hawai'i Civil Rights Commission; Hawaii State Commission on the Status of Women; American Civil Liberties Union of Hawai'i; Breastfeeding Hawaii; Planned Parenthood of Hawaii; United Public Workers, AFSCME Local 646, AFL-CIO; American Academy of Pediatrics, Hawaii Chapter; Women's Caucus, Hawaii State Democratic Party of Hawaii; and four individuals. Testimony in opposition to this measure was submitted by the Police Department, City and County of Honolulu; and one individual. The Chamber of Commerce of Hawaii and Hawaii Transportation Association submitted comments on this measure.

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 be given only 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. 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 fifty or more employees to make reasonable efforts to provide a clean location for breastfeeding employees to express breastmilk in privacy.

Your Committee notes that the Department of Labor and Industrial Relations submitted proposed language that creates a new part under chapter 378, Hawaii Revised Statutes, that requires employers to provide an adequate place and time at the workplace to express breastmilk and provides civil cause of action and a penalty of \$1,000 for each violation. The Department noted that the suggested language is similar to the federal requirements under the Fair Labor Standards Act, but the suggested language covers more employers and employees than the federal law.

Your Committee also notes the concerns raised in the testimony submitted by the Police Department of the City and County of Honolulu that this measure does not limit the duration that expressing breastmilk would be required after the date of the birth of the employee's child. The Police Department indicated that without a time limitation, an employer could be required to provide break times to their employees for multiple years after the birth of each employee's child.

Accordingly, your Committee has amended this measure by:

- (1) Deleting section 2 and inserting language suggested by the Department of Labor and Industrial Relations that adds a new part to chapter 378, Hawaii Revised Statutes, to:
  - (A) Add definitions of "employee", "employer", and "person";
  - (B) Require certain employers to provide a reasonable break time for an employee to express milk for the employee's nursing child for one year after the birth of a child and a location, other than the restroom, that is shielded from view and free from intrusions from coworkers and the public that may be used by an employee to express breastmilk;
  - (C) Require covered employers to post a notice regarding the opportunity to express breastmilk in a conspicuous place accessible to employees;
  - (D) Exempt an employer who has fewer than twenty employees if the employer can show that providing the opportunity to express breastmilk at the workplace would impose an undue hardship by causing the employer significant difficulty or expense in relation to the size, financial resources, nature, or structure of the employer's business; and
  - (E) Establish a civil cause of action for injunctive relief or damages for a plaintiff within two years after the occurrence of the alleged violation and a civil penalty of \$1,000 to each violation;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 532, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 532, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

#### **SCRep. 635      Judiciary and Labor on S.B. No. 465**

The purpose and intent of this measure is to create a civil cause of action for constructive invasion of privacy against any person who captures or intends to capture, in a manner that is offensive to a reasonable person, a recording or visual image of another person while that person is engaging in a personal or familial activity.

Your Committee received testimony in support of this measure from the Governor; Hawai'i Tourism Authority; Pae 'Āina Communications, LLC; and seventeen individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General; American Civil Liberties Union of Hawai'i; Society of Professional Journalists, Hawaii Chapter; Motion Picture Association of America, Inc.; and five individuals.

Your Committee finds that Hawaii is a popular visitor destination and is home to many celebrities who are subjected to harassment from photographers and reporters seeking photographs and news stories. Public figures, such as celebrities, already have a diminished expectation of privacy. Thus, private moments while vacationing and engaged in activities with family and friends are even more precious for public figures. Existing laws are silent on a civil cause of action for the constructive invasion of privacy. This measure creates a civil cause of action for constructive invasion of privacy against any person who captures or intends to capture, in a manner that is offensive to a reasonable person, a recording or visual image of another person while that person is engaging in a personal or familial activity.

Your Committee notes the testimony in opposition that this measure is vague and overly broad and may violate the First Amendment rights under the United State Constitution and article I, section 4, of the Hawaii State Constitution. Concerns were raised regarding the meaning of certain terms in this measure, such as offensive to a reasonable person, personal and familial activities, and reasonable expectation of privacy as well as concerns that this measure applies to any image taken any place at any time in Hawaii as long as a reasonable expectation of privacy exists. Furthermore, testimony in opposition to this measure purported that existing laws

regarding trespass, invasion of privacy, and harassment are sufficient to address privacy, free speech, and safety concerns of Hawaii's residents and visitors.

Your Committee further notes that section 1708.8 of the California Civil Code is commonly known as California's "anti-paparazzi" legislation. This law provides that a defendant is liable for physical invasion of privacy when the defendant knowingly trespasses on a plaintiff's land with the intent to capture any type of visual image, sound recording, or other physical impression of the plaintiff while the plaintiff is engaging in personal or familial activity. In order to impose liability, the invasion must occur in a manner that is offensive to a reasonable person. The California law also establishes that defendants can be liable for constructive invasion of privacy. Your Committee further finds that the California physical and constructive invasion of privacy law aligns with the intent and purpose of this measure.

Your Committee believes that further clarity is needed to address the concerns raised in the written testimony in opposition to this measure. First, your Committee believes that the cause of action should be limited to personal and familial activities taking place on property owned or leased by the plaintiff. Second, in order to address the constitutional concerns, your Committee believes that an immediate interlocutory appeal process should be provided to allow an interested party to file a motion to dispose of a claim in a judicial proceeding on the grounds that the claim is barred by a defense based on the First Amendment of the United States Constitution or article I of the Hawaii State Constitution. Third, your Committee believes that further clarity is needed to specify the types of activities that constitute a personal and familial activity. Lastly, your Committee believes that this measure merits further discussion as it moves through the legislative process.

Accordingly, your Committee has amended this measure by:

- (1) Deleting sections 1 and 2 and inserting language that is modeled after section 1708.8 of the California Civil Code to:
  - (A) Establish that a defendant is liable for physical invasion of privacy when the defendant knowingly trespasses on a plaintiff's land that is owned or leased by the plaintiff with the intent to capture any type of visual image, sound recording, or other physical impression of the plaintiff while the plaintiff is engaging in personal or familial activity;
  - (B) Establish that a defendant is liable for constructive invasion of privacy when the defendant attempts to capture, in a manner that is offensive to a reasonable person, any type of visual image, sound recording, or other physical impression of the plaintiff engaging in a personal or familial activity on land owned or leased by the plaintiff and under circumstances in which the plaintiff had a reasonable expectation of privacy, through the use of a visual or auditory enhancing device, regardless of whether there is a physical trespass, if this image, sound recording, or other physical impression could not have been achieved without a trespass unless the visual or auditory enhancing device was used;
  - (C) Establish that an assault or false imprisonment committed with the intent to capture any type of visual image, sound recording, or other physical impression of the plaintiff is subject to damages and equitable relief;
  - (D) Provide general, special, and punitive damages for committing physical or constructive invasion of privacy, including disgorgement if the plaintiff proves that the invasion of privacy was committed for a commercial purpose;
  - (E) Specify certain circumstances that do not constitute a physical or constructive invasion of privacy;
  - (F) Specify that the new civil cause of action applies to only images, recordings, or physical impressions that are taken or captured in the State and applies after the effective date;
  - (G) Provide an immediate interlocutory appeal process to file a motion to dispose of a claim in a judicial proceeding on the grounds that the claim is barred by a defense based on the First Amendment of the United States Constitution or article I of the Hawaii State Constitution;
  - (H) Establish that it is not a defense that no image, recording, or physical impression was captured or sold;
  - (I) Add definitions of "for a commercial purpose" and "personal and familial activity"; and
  - (J) Provide that the rights and remedies are severable cumulative and in addition to any other rights and remedies provided by law;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 465, 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. 636      Judiciary and Labor on S.B. No. 286**

The purpose and intent of this measure is to:

- (1) Require reapportionment to be based in part on population data of the total number of permanent residents in the State; and
- (2) Define "permanent resident" for legislative reapportionment purposes as any individual counted as a usual resident in the last preceding United States census within the State of Hawaii.

Your Committee received testimony in support of this measure from the Hawaii State Reapportionment Commission, Military Officers Association of Hawaii, and six individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General and one individual. One individual submitted comments on this measure.

Your Committee finds that article IV, sections 4 and 6, of the Hawaii State Constitution provide for the apportionment of the Hawaii State Legislature by using a permanent resident population base. However, the Hawaii State Constitution does not define "permanent resident". This measure defines "permanent resident" for purposes of legislative reapportionment as any individual counted as a usual resident in the last preceding United States census within the State of Hawaii. The United States census defines "usual residence" as the place where a person lives and sleeps most of the time and is not the same as the person's voting residence or legal residence. Hawaii's 2010 census population was 1,360,301, including service members, their families, university students, federal civilian workers stationed in Hawaii, legal and illegal aliens, children, and prisoners incarcerated here.

Your Committee notes the concerns raised in the testimony submitted by the Department of the Attorney General that requiring the Hawaii State Reapportionment Commission to use the total permanent resident population and define that term to mean the last United States census population for the State is inconsistent with the intent of the 1992 amendment to article IV, section 4, of the Hawaii State Constitution. In *Solomon et al., v. Abercrombie, et al.*, 126 Haw. 283, 270 P.3d 1013 (2012), the Hawaii Supreme Court held that the permanent resident population base excluded nonresident military personnel and their dependents based on the 1991 Reapportionment Commission's final reapportionment plan.

Furthermore, the Department testified that a constitutional amendment is the appropriate legislative vehicle to amend the definition of "permanent resident". The Hawaii Supreme Court held in *State v. Kahlbaun*, 64 Haw. 197, 206, 638 P.2d 309, 317 (1981) that "a legislative construction implementing a constitutional amendment cannot produce an absurd result or be inconsistent with the purposes and policy of the amendment". Thus, a statute that defines permanent resident as an individual counted as a usual resident in the last preceding United States census within the State may not be implemented without a constitutional amendment.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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. 286, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 286, 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. 637 (Majority) Judiciary and Labor on S.B. No. 982**

The purpose and intent of this measure is to propose a constitutional amendment to ensure that legislatively proposed constitutional amendments are ratified by counting only affirmative and negative votes after all blank and spoiled ballots are excluded. Specifically, this measure:

- (1) Requires that the full text of any proposed constitutional amendment be available for inspection on the website of the Office of Elections;
- (2) Requires that each constitutional amendment be submitted in the form of a question embracing only one subject with the question having designated spaces to mark a "yes" or "no" on the constitutional amendment;
- (3) Requires that constitutional amendments be effective only if approved at a general election by a majority of votes constituting at least fifty percent of the total votes cast at the election, or at a special election by a majority of votes tallied on the question, with the majority constituting at least thirty percent of the total number of registered voters; and
- (4) Clarifies that blank and spoiled ballots shall not be tallied upon the question.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Testimony in opposition to this measure was received from the Department of the Prosecuting Attorney, City and County of Honolulu; Office of the Public Defender; and League of Women Voters.

The intent of this measure is to provide that a legislatively proposed constitutional amendment becomes effective if approved by a majority, counting only those votes on the question that are marked either "yes" or "no" and not counting blank and spoiled ballots. Under this measure, determining whether a legislatively proposed constitutional amendment is approved by the voters will be different from the current method of determining whether the voters have approved an amendment proposed by the constitutional convention of 1950.

Under the existing method, which also applied to legislatively proposed constitutional amendments, the majority of the votes marked "yes" and "no" must also be a majority of the total votes cast, which includes all ballots, including blank and spoiled ballots to be deemed approved by the voters. As explained by the Supreme Court in *Hawaii State AFL-CIO v. Yoshina*, 84 Haw. 374, 935 P.2d 89, "[t]he procedure for ratification of revisions or amendments is the same whether the amendments are initiated by the legislature or by a constitutional convention, and clearly requires an extraordinary majority."

Delegates to the 1950 Constitutional Convention also expressed concerns with procedures that made revisions and amendments to the constitution too easy.

Your Committee has concerns that this measure will allow the state constitution to be amended by a majority based on a small number of voters who actually vote "yes" or "no" on the proposed constitutional amendment. The Office of the Public Defender

testified that the state constitution is not supposed to be easy to amend and that an already small pool of voters submitting affirmative or negative ballots will be even smaller if this proposed constitutional amendment is ratified.

A survey conducted by the Department of the Attorney General found that in all fourteen instances that legislatively proposed constitutional amendments were voted on during the last five general elections, an average of ninety-one percent of the total number of voters who voted in the election voted "yes" or "no" to approve or reject a legislatively proposed constitutional amendment. The relatively large number of yes and no votes on constitutional amendments proposed by the legislature is encouraging.

The Department of the Attorney General also indicated in its testimony that it is not clear whether the Hawaii State Constitution includes or excludes blank or spoiled ballots in determining the majority of voters voting on the constitutional amendment question.

Accordingly, your Committee has amended this measure by:

- (1) Keeping the conditions and requirements for ratification of legislatively proposed constitutional amendments the same as for constitutional amendments proposed by a constitutional convention, but with an exception as suggested by the Department of the Attorney General that constitutional amendments proposed by the legislature become effective when approved at a general election by a majority of the votes tallied upon the question;
- (2) Adding a definition to the phrase "votes tallied" as excluding blank and spoiled ballots and to the phrase "votes cast" as including all ballots, including blank and spoiled ballots to be consistent with the expressed intent of the 1950 Constitutional Convention that established the current method for revising and amending the constitution;
- (3) Adding to the suggested language made by the Department a requirement that the number of votes tallied on the question in comparison to the number of votes cast at the general election must be a percentage that is equal to or greater than the average percentage of votes tallied on constitutional amendments proposed by the legislature in comparison to the votes cast at the general election in which the amendments were voted on in the immediately preceding ten years;
- (4) Making conforming amendments to the question to be printed on the ballot to appropriately reflect the amendments made to article XVII, section 3, of the Constitution of the State of Hawaii; 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. 982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 982, 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, Slom). Noes, 1 (Ihara). Excused, none.

**SCRep. 638      Judiciary and Labor on S.B. No. 635**

The purpose and intent of this measure is to protect law enforcement animals in the line of duty by:

- (1) Establishing the offense of cruelty to a law enforcement animal in the first and second degrees; and
- (2) Adding a definition of "law enforcement animal".

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Police Department, County of Maui; Police Department, City and County of Honolulu; Humane Society of the United States-Hawaii; and two individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that law enforcement animals are an integral part of Hawaii's law enforcement and corrections agencies and are hand-selected and highly trained for their jobs. These animals diligently work side-by-side with law enforcement officers, deputies, and other personnel and should be afforded special protections. This measure protects law enforcement animals in the line of duty.

Your Committee notes the comments made by the Office of the Public Defender that this measure is not necessary due to existing laws that protect service animals. Specifically, the Office cited section 711-1109.4, Hawaii Revised Statutes, relating to causing injury or death to a service dog and section 711-1109.5, Hawaii Revised Statutes, relating to the intentional interference with the use of a service dog. However, your Committee further notes that service dogs are defined under section 347-2.5, Hawaii Revised Statutes, as dogs that are trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, intellectual, or other mental disability. Thus, service dogs and law enforcement animals, which include dogs, horses, or other animals used by law enforcement or corrections agencies, are not the same.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Office of the Public Defender by replacing sections 2 and 3 with language that:
  - (A) Amends section 711-1109.4, Hawaii Revised Statutes, to include recklessly causing injury to or death of any law enforcement animal under the offense of causing injury or death to a service dog; rename the offense; provide certain exceptions to this offense; establish penalties; provide restitution; establish an affirmative defense; and define law enforcement animal; and
  - (B) Amends section 711-1109.5, Hawaii Revised Statutes, to include intentionally or knowingly harming, striking, or kicking a law enforcement animal under the offense of intentional interference with the use of a service dog; rename the offense; provide certain exceptions to this offense; establish penalties; provide restitution to be paid to the law enforcement agency; establish an affirmative defense; and define law enforcement animal; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 635, 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. 639      Judiciary and Labor on S.B. No. 60**

The purpose and intent of this measure is to require victims of crimes and surviving immediate family members to be notified of their right to participate in the restorative justice process.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Community Alliance on Prisons, and two individuals.

Your Committee finds that research has shown that restorative justice interventions are more effective at reducing repeat crime and reducing recidivism than existing mainstream justice systems. Studies indicate that the experience of restorative justice where offenders confront their crime victims reduces the frequency of reconviction by an average of twenty-seven percent.

In 2000, the Judiciary adopted a resolution committing the Judiciary to continue to act in accordance with the principles of restorative justice and the concept of "Pono Kaulike". In 2003, the Hawaii District Court began a project called Pono Kaulike with a program objective to help parties reconcile after conflict, help victims, and reduce recidivism in offenders by promoting offender empathy for victims. As such, this measure continues the concept of restorative justice by requiring notification to victims of crimes and surviving immediate family members regarding their right to participate in the restorative justice process under the basic bill of rights for victims and witnesses.

Your Committee has amended this measure by:

- (1) Adopting the suggested language submitted by the Office of Hawaiian Affairs to include Native Hawaiian reconciliation practices, such as ho'oponopono, as part of restorative justice processes;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 60, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 60, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 640      Judiciary and Labor on S.B. No. 61**

The purpose and intent of this measure is to provide the option of participating in a restorative justice program for children who are undergoing information adjustment by a court or other designated agency, which program may involve the child and the child's parents or guardian meeting with the victim harmed by the child's law violation.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Community Alliance on Prisons, and two individuals.

Your Committee finds that many countries and other states provide juveniles involved with the justice system the opportunity to be accountable for their choices by participating in restorative justice programs. This measure provides the option of participating in a restorative justice program for children who are undergoing informal adjustment by a court or other designated agency, which program may involve the child and the child's parents or guardian meeting with the victim harmed by the child's law violation.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor 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 placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 641      Judiciary and Labor on S.B. No. 66**

The purpose and intent of this measure is to foster public confidence in state government by making the financial disclosure statements of members of state boards and commissions holding official authority over permitting or licensing of land use related matters, water use related matters, or the regulation of public utilities public documents and available for public inspection and duplication.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, League of Women Voters of Hawaii, Life of the Land, Americans for Democratic Action/Hawaii, and twenty-seven individuals. Testimony in opposition to this measure was submitted by the General Contractors Association of Hawaii and one individual. Your Committee received comments on this measure from the Department of the Attorney General, Public Utilities Commission, and one individual.

Your Committee finds that existing law requires members of every state board or commission whose original terms of office are for periods longer than one year and whose functions are not solely advisory to file an annual financial disclosure statement with the

Hawaii State Ethics Commission. However, the financial disclosure statements of members of the majority of state boards or commissions are not available to the public for inspection. This measure provides greater transparency into the financial interests of state board and commission members holding official authority over permitting or licensing of land use related matters, water use related matters, or the regulation of public utilities to help identify potential conflicts of interests.

Your Committee has amended this measure by:

- (1) Identifying by name specific state boards and commissions to which this measure applies; 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. 66, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 66, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 642      Judiciary and Labor on S.B. No. 225**

The purpose and intent of this measure is to amend section 11-13, Hawaii Revised Statutes, to add a definition of “residency” to rules for determining residency for election purposes.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii and two individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that this measure provides greater clarity as to when a person is a permanent or temporary resident for purposes of establishing residency for election purposes.

Your Committee has amended this measure by:

- (1) Adding language to clarify that a person shall not be considered a resident of this State for election purposes if the person declares residency in another state; and
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 225, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 225, 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. 643      (Majority) Judiciary and Labor on S.B. No. 478**

The purpose and intent of this measure is to propose an amendment to article III, section 6, of the Hawaii State Constitution to increase the residency requirements for candidates for the office of 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 Ironworkers Stabilization Fund and one individual. Your Committee received testimony in opposition to this measure from the League of Women Voters of Hawaii and IMUAlliance. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that this measure proposes a constitutional amendment that would bring the residency requirements for candidates for the offices of State Senate and House of Representatives into conformity with the residency requirements for candidates for the office of the Governor.

Your Committee has amended this measure by adding language in the purpose section to explicitly state that the purpose of this measure is to change the residency requirements for candidates for the offices of State Senate and House of Representatives to bring those residency requirements into conformity with the residency requirements for candidates for the office of the Governor.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 478, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 478, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 644      Judiciary and Labor on S.B. No. 516**

The purpose and intent of this measure is to remove the time bar on actions to declare the existence or nonexistence of a father and child relationship for certain proceedings.

Your Committee received testimony in support of this measure from the Legal Aid Society of Hawai‘i.

Your Committee finds that according to the testimony submitted by the Legal Aid Society of Hawaii, many people in Hawaii seek to establish paternity for various purposes, including Hawaiian ancestry purposes to take advantage of programs and public benefits for themselves and for their children. Existing law does not permit a litigant to establish paternity if the given time periods have expired.



This measure removes the time bar on actions to declare the existence or nonexistence of a father and child relationship for certain proceedings.

However, according to the Legal Aid Society of Hawaii, it is a common practice of the Family Court to permit a litigant who fails to meet the time bar requirements under law to file a paternity action for good cause shown. The Legal Aid Society of Hawaii indicated in its written testimony that although the intent of this measure is to remove the time bar on filing a paternity action, the amendments remove the court's power to hear paternity actions except for cases involving adoptions, and the Legal Aid Society of Hawaii has suggested amendments to accurately reflect the intent of this measure.

Your Committee has amended this measure by:

- (1) Adopting the amendments submitted by the Legal Aid Society of Hawaii to clarify that the time bar on paternity actions may be removed by the court for good cause shown;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 516, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 516, 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. 645      Judiciary and Labor on S.B. No. 848**

The purpose and intent of this measure is to require legislators to disclose income from sources that have an interest in the outcome of legislation, if a single source of income is \$25,000 or more or represents twenty-five percent or more of the total annual income received from all sources other than legislative salary.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii and one individual. The Hawaii State Ethics Commission submitted comments on this measure.

Your Committee finds that the public disclosure of incomes of elected officials enhances public trust, and this measure assists in reducing real and perceived conflicts of interest.

However, your Committee notes the concerns raised by the Hawaii State Ethics Commission that this measure contains ambiguous language. Furthermore, the Commission suggested that rather than focusing on the amount of income from a single source and whether that source has an interest in the outcome of legislation, this measure should be amended to require legislators to disclose persons and businesses for whom they perform paid services, regardless of whether the payment or other compensation is paid directly to the legislator or to another entity.

Coincidentally, prior to the public hearing on this measure, your Committee developed language that expands the additional disclosure requirements under this measure to state employees in addition to legislators and requires the disclosure of sources of annual income if those sources are registered lobbyists or lobbying organizations.

Your Committee has amended this measure by:

- (1) Deleting section 2 and replacing it with language that requires a state employee or legislator to disclose every source of annual income that totals more than the employee's or legislator's annual salary if that source is a registered lobbyist or lobbying organization;
- (2) Making conforming amendments to the purpose section; 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. 848, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 848, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 646      Judiciary and Labor on S.B. No. 509**

The purpose and intent of this measure is to propose a constitutional amendment to guarantee crime victims and their immediate surviving family members specific rights related to the information pertaining to and participation in the criminal justice process.

Your Committee received testimony in support of this measure from the Department of Public Safety; Crime Victim Compensation Commission; Hawaii State Commission on the Status of Women; Office of the Prosecuting Attorney, County of Kaua'i; Department of the Prosecuting Attorney, City and County of Honolulu; Office of the Prosecuting Attorney, County of Hawaii; Mothers Against Drunk Driving Hawaii; Sex Abuse Treatment Center; Domestic Violence Action Center; and three individuals. Testimony in opposition to this measure was submitted by the Department of the Attorney General.

Your Committee finds that existing laws improve the status of crime victims by enabling crime victims to receive restitution, requiring that crime victim statements are included in presentence reports, allowing crime victims to speak prior to sentencing, and setting forth the basic crime victim rights. However, the Crime Victim Compensation Commission testified that a constitutional amendment is necessary because these laws intended to assist crime victims frequently fail to provide meaningful protection when they

conflict with the rights of the accused. The basic bill of rights for crime victims and witnesses under section 801D-4, Hawaii Revised Statutes, does not establish permanent, enforceable rights for crime victims. This measure proposes a constitutional amendment to guarantee crime victims and their immediate surviving family members specific rights related to information pertaining to and participation in the criminal justice process.

Despite the concerns raised by the Department of the Attorney General, your Committee notes that a crime victim's bill of rights seeks to create a balance in which the defendant's rights are protected and the crime victim is ensured meaningful participation in the criminal system. The Crime Victim Compensation Commission clarified that this proposed constitutional amendment in no way diminishes a criminal defendant's constitutional rights or interferes with the prosecution of a criminal case. Instead, this measure guarantees victims the opportunity to be heard, remain informed, receive restitution, and have their property returned.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 509 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. 647 Public Safety, Intergovernmental and Military Affairs on S.B. No. 1176**

The purpose and intent of this measure is to allow certain individuals who serve on the panel that nominates Hawaii Paroling Authority members to select designees to represent them on the panel.

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 nomination panel includes the Chief Justice of the Hawaii Supreme Court, the Director of Public Safety, President of the Bar Association of Hawaii, and President of the Hawaii Chapter of the National Social Workers Association. The panel is responsible for vetting the list of applicants, conducting interviews, and submitting not less than three names per vacancy for the Governor's consideration. Your Committee finds that this work averages three to five full days of meetings – a schedule that is often impractical for individuals in high level positions to regularly attend and still complete their existing work responsibilities. This measure allows the Chief Justice, Director of Public Safety, and Presidents of the Hawaii State Bar Association and Hawaii Chapter of the National Social Workers Association to appoint designees to represent their organizations at these meetings to ensure the timely nomination of new members.

Your Committee finds that in the interest of transparency, certain information should be made available to the public following parole release hearings. This basic information includes the inmate's name, whether the parole request was granted or denied, and the reason for a denial of a parole request. However, your Committee notes that this measure is not intended to require confidential information to be made public.

Your Committee further finds that under existing law, there is no set quorum requirement for the Hawaii Paroling Authority. Your Committee finds that a clear quorum requirement should be codified, with provisions that govern situations in which a conflict of interest arises that requires recusal of an Authority member.

Your Committee has amended this measure by:

- (1) Requiring certain information regarding parole decisions by the Hawaii Paroling Authority to be made public after a parole release hearing;
- (2) Requiring three Hawaii Paroling Authority panel members for quorum, unless there is a recusal due to a conflict of interest, in which case two panel members shall satisfy the quorum requirement; and
- (3) Inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1176, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1176, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 648 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 1272**

The purpose and intent of this measure is to set the employer contribution rate to the unemployment insurance trust fund at schedule F for calendar year 2013.

Your Committees received testimony in support of this measure from The Chamber of Commerce of Hawaii; North Shore Chamber of Commerce; Moloka'i Chamber of Commerce; Maui Chamber of Commerce; Kona-Kohala Chamber of Commerce; Hawai'i Island Chamber of Commerce; Kauai Chamber of Commerce; Retail Merchants of Hawaii; Hawai'i Alliance of Nonprofit Organizations; Hawaii Food Industry Association; Island Landscape; Kauai Board of REALTORS; Hawaii Credit Union League; Employers Options; Decision Research Corporation; Hawaii Group, Inc.; Hawaii Automobile Dealers Association; Hawaii Human Resources, Inc.; Hawaii Employment Services, Inc.; Hawaii Association of Professional Employer Organizations; KTA Super Stores; Pizza Bob's; and Big Island Toyota. Testimony in opposition to this measure was submitted by the Department of Labor and Industrial Relations, Hawaii State AFL-CIO, and International Longshore and Warehouse Union, Local 142.

Existing law provides that the unemployment insurance employer contribution rate schedule for each calendar year is determined by the ratio of the current reserve fund to the adequate reserve fund. Since calendar year 2008, the statutorily determined rate schedules

have been lowered by legislative actions that resulted in a savings of \$350,000,000 for employers. For calendar year 2013, according to the contribute rate schedule set by section 383-68, Hawaii Revised Statutes, the employer contribution rate to the unemployment insurance trust fund is set at schedule G. This measure will mitigate the tax increase of an additional \$150 per employee, on average, under schedule G to help businesses recover during this slow growth period and provide stability and certainty during uncertain times.

Your Committees note the concerns raised in the testimony submitted by the Department of Labor and Industrial Relations. The Department testified that the present balance of the unemployment insurance trust fund to \$125,000,000, which is only one-third of the adequate reserve level of \$384,000,000. The Department noted that Hawaii's unemployment rate is at 5.2 percent, which is one of the lowest in the United States, and at the pre-recession level and that the unemployment reserves should be accumulated during periods of economic expansion. Furthermore, due to events such as the "fiscal cliff" federal sequestration, and the continuing challenges in the European economy, the Department further noted that it is important and prudent to adhere to the intent in establishing the unemployment trust fund, which is to ensure that there are adequate reserves capable of paying benefits to cushion economic downturns and provide income for unemployed individuals. The Department indicated that currently there is only four months' worth of benefits at the highest benefit cost ratio.

Your Committees further note that while the unemployment rates appear to be improving, this improvement is slow and unpredictable. Your Committees are concerned with the pending federal sequestration and the potential impact any sweeping federal budget cuts will have on Hawaii's unemployment rate. In light of this, your Committees find that maintaining the employer contribution rate at schedule F is a cautious approach until the impact of federal sequestration on Hawaii's unemployment rate can be properly assessed.

Accordingly, your Committees have amended this measure by:

- (1) Setting the employer contribution rate to the unemployment insurance trust fund at schedule F for calendar year 2014, in addition to calendar year 2013; and
- (2) Applying the employer contribution rate retroactively to January 1, 2013, to align with the beginning of calendar year 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 S.B. No. 1272, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1272, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

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

Ways and Means

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 649 Judiciary and Labor on S.B. No. 229**

The purpose and intent of this measure is to establish the causes, manner, and procedures for the removal of the Governor, Lieutenant Governor, and appointive officers by impeachment.

Your Committee received testimony in support of this measure from two individuals.

Your Committee finds that article III, section 19, of the Hawaii State Constitution requires the Legislature to establish laws providing the causes, manner, and procedure for the impeachment of the Governor, Lieutenant Governor, and any appointive officers for whose removal the consent of the Senate is required. However, existing law does not establish an impeachment process. This measure fulfills the Legislature's constitutional requirement.

Your Committee has amended this measure by:

- (1) Specifying that the accused may object to the sufficiency of the articles of impeachment within thirty days of having been served the articles of impeachment or within thirty days of the last publication of the articles of impeachment pursuant to the notice requirements for an impeachment hearing;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 229, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 229, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 650 Ways and Means on S.B. No. 795**

The purpose and intent of this measure is to increase the transparency of the state budgeting process by requiring the preparation of a state comprehensive annual financial report, fiscal budget statements, and other financial reports.

Prior to the public hearing on this measure, your Committee circulated for review and comment a proposed S.D. 1.

The proposed S.D. 1 amended this measure by deleting its contents and replacing them with provisions that:

- (1) Establish an investigative unit within the Office of the Auditor to investigate waste, fraud, abuse, nonfeasance, and malfeasance of state finances;
- (2) Prescribe the circumstances under which an investigation may be initiated; and
- (3) Appropriate an unspecified amount to fund the investigative unit.

Your Committee received testimony in support of this measure from the Commission on Transportation, the Office of the Auditor, and six individuals.

Your Committee finds that unlike many other states' auditor offices, the Office of the Auditor does not have a dedicated investigative unit. Authorizing the Auditor to establish an investigative unit, along with an appropriation of funds, will provide the Auditor with the authority and means to investigate alleged or suspected improper uses of state finances that are beyond the scope of audits currently performed by the Auditor.

Your Committee has further amended the proposed S.D. 1 by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on the 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. 795, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 795, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 6 (Dela Cruz, Kahele, Keith-Agaran, Kouchi, Thielen, Slom).

**SCRep. 651 (Joint) Judiciary and Labor and Ways and Means on S.B. No. 946**

The purpose and intent of this measure is to manage the unfunded liabilities of the Employer-Union Health Benefits Trust Fund.

More specifically, the measure:

- (1) Requires the trust fund to establish a separate trust fund for public employer contributions, with separate accounts for each public employer;
- (2) Establishes an annual required contribution that public employers must pay into the separate trust fund;
- (3) Requires the use of a portion of the general excise tax revenues to supplement deficient state public employer contribution amounts;
- (4) Requires the use of a portion of the transient accommodations tax revenues to supplement deficient county public employer contributions; and
- (5) Requires the Director of Finance to submit an implementation plan to have both the Employer-Union Health Benefits Trust Fund and the Employees' Retirement System jointly share investment information and services.

Your Committees received testimony in support of this measure from one concerned individual.

Your Committees received written comments on this measure from the Department of Budget and Finance, the Employees' Retirement System of the Department of Budget and Finance, and the Tax Foundation of Hawaii.

Your Committees find there is a critical need to find a manageable approach to resolving the unfunded liability of the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committees further note the concerns raised by the Board of Trustees of the Employees' Retirement System that enactment of this measure may possibly disrupt the board's primary fiduciary responsibility to the Employees' Retirement System. The Board is also concerned about possible federal income tax code issues that may jeopardize the tax qualification of the Employees' Retirement System. Your Committees are appreciative of the Board's comments and will consider these concerns while continuing the discussion on the measure.

Your Committees have amended this measure by:

- (1) Authorizing the Director of Finance to supplement deficient public employer contributions from other revenues or funds collected on behalf of the public employer or held by the State;
- (2) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity and style.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 946, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 946, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

Ways and Means

Ayes, 11; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 652 (Joint) Economic Development, Government Operations and Housing and Technology and the Arts on S.B. No. 736**

The purpose and intent of this measure is to stimulate economic growth in Hawaii by re-enacting the income tax credit for qualified research activities for a period of five years and adding reporting requirements.

Your Committees received testimony in support of this measure from Pukoa Scientific; Oceanit Laboratories, Inc.; Navatek, Ltd.; The Chamber of Commerce of Hawaii; and two individuals. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Taxation; Hawaii Strategic Development Corporation; High technology Development Corporation; and the Tax Foundation of Hawaii.

Your Committees find that the tax credit for qualified research activities sunset on December 31, 2010. The tax credit is important to the success of local research and high technology companies as it allows these companies to remain competitive with mainland companies. The tax credit also fosters job growth and the purchase of goods and services in Hawaii.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 736, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 736, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (Baker, Wakai).

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 653 Ways and Means on S.B. No. 83**

The purpose and intent of this measure is to permit the Hawaii Public Housing Authority to rent dwelling units or community facilities in public housing projects to nonprofit organizations or government agencies that provide support services.

Your Committee finds that renting facilities in public housing projects to nonprofit organizations or government agencies will enhance the ability of these entities to provide support services to low income or special needs individuals and families. Your Committee believes that making support services available on site will provide a central and convenient location for these persons to access services that they may not otherwise receive.

Your Committee has amended this measure by:

- (1) Clarifying that rented units may be used for government employees providing resident programs and services;
- (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. 83, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 83, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 654 Ways and Means on S.B. No. 137**

The purpose and intent of this measure is to appropriate funds to the Department of Health to establish a permanent full-time position to facilitate the licensing of home care agencies.

Your Committee finds that measures must be taken to ensure that Hawaii's elderly population is receiving the highest quality care from home care providers.

Your Committee has amended this measure by:

- (1) Making a technical nonsubstantive amendment for the purpose of clarity; and
- (2) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 137, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 137, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Espero).

**SCRep. 655      Ways and Means on S.B. No. 722**

The purpose and intent of this measure is to require the Department of Accounting and General Services to expand the comprehensive information system established pursuant to Act 54, Session Laws of Hawaii 2011, to inventory and maintain information about the public facilities located on lands of the public land trust.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, the Department of Transportation, and one individual

Your Committee finds that establishing a comprehensive and dynamic information system for public facilities is part of the enterprise resource planning project. Your Committee further finds that an inventory of public facilities will assist the State in managing its assets and will thereby reduce lost revenue by ensuring that facilities are used to their full potential.

Your Committee has amended this measure by:

- (1) Clarifying that the inventory shall include public buildings, facilities, and sites;
- (2) Inserting an appropriation for unspecified sums for the 2013-2015 fiscal biennium to defray costs associated with conducting the inventory;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 722, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 722, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 656      Ways and Means on S.B. No. 1074**

The purpose and intent of this measure is to regulate the practice of physical therapist assistants.

More specifically, this measure:

- (1) Requires a physical therapist assistants to obtain a license to practice from the Board of Physical Therapy;
- (2) Adds a licensed physical therapist assistant as a member of the Board of Physical Therapy; and
- (3) Appropriates funds out of the compliance resolution fund for fiscal year 2014-2015 to implement the licensure of physical therapist assistants by the Department of Commerce and Consumer Affairs.

Your Committee received written comments in support of this measure from the Board of Physical Therapy, Physical Therapist of Hawaii, the Occupational Therapy Association of Hawaii, and twenty-seven concerned individuals.

Your Committee finds that this measure regulates the practice of and requires physical therapist assistants to receive appropriate education and training to practice in the State. Your Committee further finds that physical therapist assistants provide medical services to the residents of the State and that it is in the interest of the State to regulate these providers to ensure the quality of medical services provided.

Your Committee has amended this measure by:

- (1) Clarifying that a physical therapist assistant means a person who is licensed as a physical therapist assistant in the State and assists the physical therapist in selected components of treatment or intervention;
- (2) Changing the appropriation to an unspecified amount;
- (3) Changing the effective date for section 8 of the measure to July 1, 2051, and to July 1, 2050, for the rest of the measure to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1074, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1074, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 657      (Majority) Ways and Means on S.B. No. 1109**

The purpose and intent of this measure is to ensure that victims of sexual assault are provided information about and access to emergency contraception when receiving emergency medical care for sexual assault.

Your Committee received written comments in support of this measure from the Department of Human Services; Department of the Prosecuting Attorney, City and County of Honolulu; Community Alliance on Prisons; IMUAlliance; The Sex Abuse Treatment Center; Planned Parenthood of Hawaii; and Kaiser Permanente Hawaii.

Your Committee finds that, according to a report prepared by the Department of the Attorney General, there were three hundred fifty-three reported cases of forcible rape in Hawaii in 2011. Further, according to the United States Department of Justice, over half

of all rapes are not reported to the police. There are an estimated thirty-two thousand rape-related pregnancies every year in the United States.

Your Committee also finds that the American Medical Association and the American College of Obstetricians and Gynecologists have stated that sexual assault victims should be informed about and provided emergency contraception. However, a 2010 survey of emergency facilities in Hawaii revealed a lack of clear policy on the issue. Your Committee further finds that this measure establishes statewide hospital standards to ensure that hospital emergency rooms provide female sexual assault victims with information about and access to emergency contraception.

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. 1109, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1109, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kouchi). Noes, 1 (Slom). Excused, none.

**SCRep. 658 (Majority) Ways and Means on S.B. No. 1135**

The purpose and intent of this measure is to expand the electronic device recycling program by establishing requirements for recordkeeping, reporting, and registration for collectors of electronics. This measure also amends penalties and establishes recycling percentage goals.

Your Committee received written comments in support of this measure from the Ulupono Initiative, Department of Health, and two individuals. The Custom Electronic Design and Installation Association submitted written comments in opposition to this measure. Your Committee received written comments on this measure from the Consumer Electronics Association, Retail Merchants of Hawaii, and State and Local Government Affairs and Political Compliance.

Your Committee finds that the amount of electronic waste is expected to increase in the future and that establishing an efficient recycling program will help the people of Hawaii both economically and environmentally.

Your Committee has amended this measure by:

- (1) Changing the percentages for the recycling goals to unspecified amounts;
- (2) Changing the effective date to July 1, 2050, to encourage further discussions on the measure;
- (3) Making numerous 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. 1135, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1135, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 659 Ways and Means on S.B. No. 406**

The purpose and intent of this measure is to require members of certain state councils, boards, and commissions to complete a training course administered or approved by the Office of Hawaiian Affairs relating to native Hawaiian and Hawaiian rights.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs and one individual. Your Committee received written comments in opposition to this measure from the Land Use Research Foundation. The Department of Land and Natural Resources submitted written comments.

Your Committee finds that certain state councils, boards, and commissions administer public trust resources and programs that directly impact native Hawaiian and Hawaiian traditional and customary rights, natural resource protection and access rights, and the public trust. Your Committee believes that the training course required by this measure will provide relevant guidance to certain state appointees to assist them in fulfilling their duties and responsibilities relating to native Hawaiian and Hawaiian rights in a culturally responsive manner.

Your Committee has amended this measure by:

- (1) Authorizing the Office of Hawaiian Affairs to offer abbreviated training courses directly to state agencies, as well as councils, boards, and commissions; 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. 406, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 406, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kahele, Kouchi).

**SCRep. 660 Ways and Means on S.B. No. 680**

The purpose and intent of this measure is to establish the operational infrastructure to help ensure the health and safety of the people of Hawaii.

Specifically, the measure:

- (1) Enacts a homeland security law to establish a state homeland security office within the Department of Defense; and
- (2) Authorizes the establishment of county organizations for homeland security.

Your Committee received written comments in support of this measure from the Department of Defense, State Fire Council, Kauai Fire Department, County of Hawaii Civil Defense Agency, County of Maui Department of Fire and Public Safety, and four individuals.

Your Committee received written comments on this measure from the Department of Human Resources Development.

Your Committee finds that state departments and agencies are performing many missions and tasks to combat terrorism and support homeland security requirements without underlying statutory authority or enabling legislation. Your Committee further finds that this measure will establish a homeland security office to provide a comprehensive program to protect our citizens, infrastructure, and government from terrorism and threat of attack.

Your Committee has amended this measure by:

- (1) Providing that the Administrator of Homeland Security shall be exempt from civil service under chapter 76, Hawaii Revised Statutes;
- (2) Deleting a reference to emergency powers of the Governor as redundant with statutory provisions in chapter 128, Hawaii Revised Statutes;
- (3) Specifying that the Director of Homeland Security shall foster coordination on security matters with all nations of the Pacific region only to the extent permitted under federal law;
- (4) Amending the quoted text of section 26-21, Hawaii Revised Statutes, to accurately reflect the contents of that section; 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 S.B. No. 680, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 680, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 661 Ways and Means on S.B. No. 1118**

The purpose and intent of this measure is to provide that the salaries of certain Hawaii Public Housing Authority key executive management personnel are subject to the compensation limitations established by the United States Department of Housing and Urban Development.

Your Committee finds that the Hawaii Public Housing Authority is funded primarily through federal funding or rental receipts, including the salaries of Authority employees. Current state law establishing the salaries of key employees inhibits the hiring of qualified personnel with skills and expertise that would assist the Authority in fulfilling its duties and responsibilities. Not only will this measure enable the Authority to attract and retain qualified personnel, it will allow the Authority's Board of Directors to satisfy federal requirements, including providing certification to the federal Department of Housing and Urban Development that the salary of the executive director was established pursuant to a mandatory comparable salary study.

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 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. 1118, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1118, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 662 Ways and Means on S.B. No. 1170**

The purpose and intent of this measure is to provide alternative civil enforcement options that may be utilized by the Board of Land and Natural Resources in the processing of natural and cultural resource violations.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Department of Land and Natural Resources, The Nature Conservancy, and two individuals.

Current law authorizes the Board of Land and Natural Resources to levy administrative fines and order encroachment removal and damage restoration for violations of natural and cultural resource laws. Your Committee finds that this measure will provide the Board



of Land and Natural Resources greater flexibility in enforcing natural and cultural resource violations administratively instead of using the judicial system, which is more costly to all parties involved.

Your Committee has amended this measure by:

- (1) Requiring the director of finance for each county to deny any application for vehicle registration if notified by the Board of Land and Natural Resources that the applicant has failed to discharge a condition imposed by the Board of Land and Natural Resources;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1170, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1170, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 663 Ways and Means on S.B. No. 59**

The purpose and intent of this measure is to increase the monthly board rate for foster care services for children.

Your Committee received written comments in support of this measure from Catholic Charities Hawaii, Hale Opio Kauai, Inc., and four individuals.

Your Committee received written comments on this measure from the Department of Human Services and Youth Services Network.

Your Committee finds that the current monthly board rate for children in foster care is \$529 and that this amount is insufficient to cover the costs of care, food, housing, and other necessities for the foster children. Accordingly, your Committee finds that this measure is necessary to cover the increased living costs for children in the foster care system.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 59, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 59, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 664 Ways and Means on S.B. No. 305**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to develop, or assist under a government assistance program in the development of, public housing projects.

In addition, the measure also authorizes the Hawaii Public Housing Authority to develop commercial, industrial, and other properties in connection with the development of public housing dwelling units.

Your Committee received written comments in support of this measure from the Department of Planning and Permitting for the City and County of Honolulu.

Your Committee finds that providing the Hawaii Public Housing Authority with more development options will help the State further serve low-income residents and communities surrounding low-income housing projects. By authorizing the Hawaii Public Housing Authority to incorporate mixed use development, your Committee believes that this measure will not only increase the supply of public housing, but will also create employment opportunities and more affordable lifestyles for tenants.

Your Committee has amended this measure by:

- (1) Requiring that the net proceeds of sales and leases be deposited into the Public Housing Revolving Fund;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the 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. 305, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 305, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 665 Ways and Means on S.B. No. 312**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to enter into agreements with the Department of Public Safety to provide security services to protect the residents, staff, buildings, and lands under the Authority's control.

Your Committee received written comments on this measure from the Department of Public Safety.

Your Committee finds that conditions at certain public housing projects in the State have deteriorated, resulting in instances of violence, public drunkenness, and excessive noise. Your Committee believes that this measure will allow the Hawaii Public Housing Authority and Department of Public Safety to collaborate to provide safer conditions for public housing residents, staff, and property.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Public Housing Authority may enter into agreements with the Department of Public Safety to obtain the aid and cooperation of the Sheriff Division to provide security services;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion of 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. 312, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 312, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Kouchi).

**SCRep. 666      Ways and Means on S.B. No. 551**

The purpose and intent of this measure is to establish a memorial to honor certain veterans.

Specifically, this measure directs the Office of Veterans Services, with the assistance of the Department of Accounting and General Services and the state Department of Defense, to develop a plan to establish a memorial honoring the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn in the historic district of Honolulu.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and the Office of Veterans Services.

Your Committee finds that veterans from Hawaii served valiantly and courageously during the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, and Operation New Dawn. Construction of a memorial in the historic district of Honolulu to honor that service is wholly appropriate and well deserved. In addition, the memorial should honor our more recent veterans.

Your Committee has amended this measure by:

- (1) Adding service members of the Global War on Terrorism, Homeland Defense, Operation Noble Eagle, and those who have protected our borders by land, sea, and air, as honorees of the memorial; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 551, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 551, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 667      Ways and Means on S.B. No. 595**

The purpose and intent of this measure is to expand the definition of the term "agricultural commodity" to exempt amounts received from the loading, transportation, and unloading of milk, poultry, eggs, poultry carcass, poultry meat, and aquaculture and aquaponics products to be consumed in the State, whether processed in the State or imported, from the general excise tax.

Your Committee received written comments in support of this measure from the Hawaii Cattlemen's Council, Hawaii Farm Bureau Federation, Hawaii Food Industry Association, and Ulupono Initiative.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that, under current law, amounts received for loading, transporting, and unloading agricultural commodities are exempt from the general excise tax. However, the term "agricultural commodity" is narrowly defined, under section 147-1, Hawaii Revised Statutes, to only include fresh fruits, fresh vegetables, nuts, coffee, and honey. Your Committee believes that milk, poultry, eggs, poultry carcass, poultry meat, and aquaculture and aquaponics products are also important agricultural commodities that should be afforded the same tax treatment.

Your Committee has amended this measure by:

- (1) Adding definitions for the terms "aquaculture products" and "aquaponics products";
- (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 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. 595, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 595, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 668 Ways and Means on S.B. No. 606**

The purpose and intent of this measure is to promote student employment at University of Hawaii campuses.

Specifically, this measure:

- (1) Appropriates funds for support staff and student employees; and
- (2) Prioritizes funding for students working on programs that support access, retention, and diversity.

The University of Hawaii System submitted written comments in support of this measure.

Your Committee finds that students who work on campus tend to perform better academically than those who work off-campus. The University of Hawaii at Manoa spends approximately \$22,000,000 to hire and employ students, yet more than 2,500 students could not find an on-campus job during the most recently completed semester. Your Committee further finds that this measure will increase student employment throughout the University of Hawaii System, improve the financial status of students, and improve students' academic performance.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriated moneys may be used for students being paid hourly wages;
- (2) Clarifying funding priorities for student-employees;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 606, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 606, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 669 (Majority) Ways and Means on S.B. No. 747**

The purpose and intent of this measure is to prohibit the operation of more than one parasail vessel at any given time in state waters per permit in a county with a population over seven hundred thousand.

In addition, this measure limits the number of vessels that a thrill craft permit holder may operate for rent to six per permit.

Your Committee received written comments in support of this measure from three individuals. Your Committee received written comments in opposition to this measure from two individuals.

Your Committee finds that although existing law allows a parasail permit holder to operate only one parasail vessel per permit, there have been reports that one operator has been getting around this vessel limit by keeping a second vessel standing by ready to operate as soon as the first vessel has completed flying its passengers. Your Committee believes that this measure addresses that concern by prohibiting the operation of more than one parasail vessel in state waters per permit, regardless of whether both vessels are being actively operated for flying passengers.

Your Committee has amended this measure by:

- (1) Inserting a savings clause;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 747, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 747, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 670 Ways and Means on S.B. No. 814**

The purpose and intent of this measure is to increase safety of low-income housing projects. Specifically this measure would authorize the Hawaii Public Housing Authority to permit law enforcement officers to reside at state low-income housing projects for the purpose of increasing security.

The Department of Public Safety submitted written comments in support of this measure.

Your Committee finds that authorizing otherwise ineligible law enforcement officers to reside at state low-income housing projects will increase security, prevent crime, assist in crime intervention efforts, and help protect the residents of public housing developments.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussions on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 814, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 814, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 671      Ways and Means on S.B. No. 873**

The purpose of this measure is to support and facilitate the collection of court-ordered restitution for crime victims by:

- (1) Establishing requirements and procedures for income withholding orders for crime victim restitution;
- (2) Repealing a court's authority to revoke restitution once ordered;
- (3) Requiring that money posted as bail be applied toward the payment of any court-ordered restitution, fines, or fees in the same case;
- (4) Expanding crime victims' access to adult probation records to include access to the defendant's record of compliance with court-ordered payments; and
- (5) Appropriating funds to the Judiciary for the purpose of enhancing the collection of restitution.

Your Committee received written comments in support of this measure from the Judiciary and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that while courts order the payment of restitution to victims in many criminal cases, it is not strictly enforced, and victims often must resort to private civil actions against the defendant. Not only does this situation decrease the chances that a victim will ever receive the restitution payments that they were promised, but it further demoralizes the victim and negates the benefits that the restitution was intended to provide. This measure promotes the consistent and comprehensive enforcement of restitution collection to ensure that restitution provides an effective tool for restoring crime victims.

Your Committee has amended this measure by:

- (1) Expanding the types of court orders having priority over income withholding orders for crime victim restitution to include family court orders made pursuant to chapter 571, Hawaii Revised Statutes, and child support orders made pursuant to chapter 576D, Hawaii Revised Statutes, to comply with federal law;
- (2) Removing the reference to penalties under contempt of court for violations of the prohibition against employers refusing to hire a prospective employee, discharging an employee, or taking any other disciplinary action against an employee based upon an order or notice to withhold income for crime victim restitution and making such actions a misdemeanor; and
- (3) 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. 873, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 873, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 672      Ways and Means on S.B. No. 961**

The purpose and intent of this measure is to promote and provide for the secure sharing of information among state departments and agencies.

The Office of Information Management and Technology submitted written comments in support of this measure.

Your Committee finds that the State has thirty-five lines of business and two hundred twenty business functions. Creating an environment to securely share information will increase efficiency, facilitate federal reporting, and support the State's Open Gov and Open Data Initiative.

Your Committee has amended this measure by:

- (1) Clarifying that each department that collects information shall be the authoritative source and custodian of that information for legal proceedings;
- (2) Clarifying that this measure shall not reduce a department's responsibility for protecting information and data as required by law;
- (3) Renumbering a misnumbered paragraph; and
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 961, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 961, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 673 (Majority) Ways and Means on S.B. No. 987**

The purpose and intent of this measure is to require the assessment of and collection of impact fees in full prior to or upon issuance of a water meter.

Your Committee finds that the law currently requires impact fees to be assessed and paid upon the issuance of a grading or building permit.

Your Committee believes that requiring the assessment and collection of impact fees prior to or upon issuance of a water meter as well will give counties necessary flexibility in the planning and development of land and will align state law with county ordinances and practices.

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. 987, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 987, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (English, Thielen). Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 674 Ways and Means on S.B. No. 991**

The purpose and intent of this measure is to support agriculture in the State by increasing the consumption of locally grown food.

More specifically, this measure exempts from the Public Procurement Code the purchase of fresh meats, fresh produce, animals, and plants to be used by any governmental body.

Your Committee received written comments in support of this measure from the Office of Planning, Department of Public Safety, State Procurement Office, Board of Agriculture, and Uluono Initiative.

Your Committee received written comments on this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that the promotion of local agriculture results in improved economic activity and food security. This measure will promote local agriculture by making it easier for governmental agencies to acquire local agricultural commodities.

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 S.B. No. 991, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 991, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 675 Ways and Means on S.B. No. 992**

The purpose and intent of this measure is to promote biosecurity by authorizing the Department of Agriculture to issue loans for biosecurity projects to qualified farmers.

Your Committee received written comments in support of this measure from the Department of Agriculture, Uluono Initiative, and one individual.

Your Committee finds that increased federal biosecurity regulations help protect livestock from pests and diseases and help ensure the health and safety of farmers and consumers. These regulations often add costs, but rarely increase farmers' profits. Authorizing the Department of Agriculture to issue low-interest biosecurity loans will help the livestock industry meet federal regulations, while spreading the costs of federal compliance over time.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 992, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 676 Ways and Means on S.B. No. 1002**

The purpose and intent of this measure is to repeal the Stadium Authority's authority to maintain, operate, manage, and promote the Kapolei Recreational Sports Complex.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services and the Stadium Authority.

Your Committee finds that in October 2006, the property upon which the Kapolei Sports Complex was to be built was transferred to the Department of Hawaiian Home Lands, which has since arranged for the construction of a mixed use shopping center. Since there will be no Kapolei Sports Complex, your Committee further finds that deleting references to the Stadium Authority's responsibility regarding the complex is a housekeeping measure that conforms the law to current circumstances.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1002, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 677 Ways and Means on S.B. No. 1387**

The purpose of this measure is to improve the selection process for members of the University of Hawaii Board of Regents by:

- (1) Authorizing the Governor to reject the list of candidates presented by the Regents Candidate Advisory Council; and
- (2) Requiring the Regents Candidate Advisory Council to provide a new list of candidates to the Governor within sixty days of the rejection.

In addition, this measure specifies that each member of the Regents Candidate Advisory Council shall serve for the duration of the term of the member's appointing authority, up to a maximum of four years per term.

Your Committee received written comments in support of this measure from the Policy Office of the Governor.

Your Committee received written comments in opposition to this measure from the University of Hawaii Regents Candidate Advisory Council.

Your Committee finds that the University of Hawaii and the State are best served by a process that increases the Governor's flexibility to appoint members of the Board of Regents on the basis of how each candidate's individual talents will complement the overall membership of the board. This flexibility would be further enhanced by allowing the Governor to reject specific candidates presented by the Regents Candidate Advisory Council in lieu of rejecting the entire list of candidates.

Accordingly, your Committee has amended this measure by:

- (1) Authorizing the Governor to reject specific candidates from the list of candidates submitted by the Regents Candidate Advisory Council;
- (2) Requiring the Regents Candidate Advisory Council to present the Governor with a new candidate for each rejection of a specific candidate within sixty days of each rejection; and
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1387, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1387, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Kahahe, Kouchi).

**SCRep. 678 (Majority) Ways and Means on S.B. No. 104**

The purpose and intent of this measure is to require the Director of the Executive Office on Aging to contract for a feasibility study on a mandatory public long term care financing program for the State.

Your Committee received written comments in support of this measure from the American Association of Retired Persons Hawaii, Executive Office on Aging, Policy Advisory Board for Elder Affairs, and six individuals.

Your Committee finds Hawaii's population is rapidly aging. The Hawaii Long-Term Care Commission has recommended the establishment of a limited, mandatory public long-term care insurance program. Requiring the Executive Office on Aging to contract for a study is the first step in obtaining information to draft a proposed bill for a future legislative session.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussions on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 104, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 104, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 679 (Majority) Ways and Means on S.B. No. 1132**

The purpose and intent of this measure is to provide sufficient funding for the regulation of waste management by:

- (1) Extending the application of the solid waste management surcharge to include:
  - (A) Solid waste shipped outside the State for disposal; and
  - (B) Waste disposed of at waste-to-energy facilities; and
- (2) Increasing the solid waste management surcharge using a tiered structure commensurate with the impact of the means of disposal on the Department of Health.

Your Committee received written comments in support of this measure from the Department of Health and the Department of Environmental Services, City and County of Honolulu.

Your Committee received written comments in opposition to this measure from the General Contractors Association of Hawaii.

Your Committee finds that the solid waste disposal surcharge has not been raised since 1997 despite a growing workload and a twenty-five per cent reduction in staff. The solid waste disposal surcharge is not collected on solid waste disposed of at waste-to-energy facilities or shipped out of the State, despite the fact that the Department of Health permits and regulates these facilities. This measure will increase the solid waste disposal surcharge and apply it to those facilities that are currently excluded from its application, to fund the Department of Health's regulatory oversight of these facilities.

Your Committee has amended this measure by:

- (1) Requiring owners or operators of landfills to remit all money collected from the solid waste management surcharge to the Department of Health;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of 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. 1132, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1132, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 680 Ways and Means on S.B. No. 753**

The purpose and intent of this measure is to authorize the Department of Agriculture to lease or otherwise dispose of lands to the Agribusiness Development Corporation for the purposes of chapter 163D, Hawaii Revised Statutes.

Your Committee finds that the Agribusiness Development Corporation was established to make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii. Your Committee believes that, by authorizing the Department of Agriculture to lease or otherwise dispose of lands to the Agribusiness Development Corporation, this measure will promote agricultural growth and will help the State reach its food security goals.

Your Committee has amended this measure by:

- (1) Clarifying that the Agribusiness Development Corporation shall be exempt from qualification requirements under chapter 166E, Hawaii Revised Statutes, relating to the uses of non-agricultural park lands;
- (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. 753, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 753, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Slom).

**SCRep. 681 (Majority) Ways and Means on S.B. No. 910**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (3) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (3) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, 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, none.

**SCRep. 682 (Majority) Ways and Means on S.B. No. 911**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (13) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (13) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 911, 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, none.

**SCRep. 683 (Majority) Ways and Means on S.B. No. 1133**

The purpose and intent of this measure is to remove the exemption for liquid dietary supplements from the deposit beverage container program.

Your Committee received written comments in support of this measure from the Department of Health and two concerned individuals.

Your Committee finds that the exemption from the deposit beverage container program for liquid dietary supplements relies upon a definition of "dietary supplement" provided by the federal Food and Drug Administration (FDA). However, the FDA does not vigorously regulate the dietary supplement industry. This causes unnecessary administrative difficulties that cost the Department of Health a disproportionate amount of time and resources and creates uncertainty regarding product determinations. In addition, there is concern that liquid dietary supplements in amounts of one ounce or less may pose onerous burdens on the redemption process.

Accordingly, your Committee has amended this measure by:

- (1) Retaining the exemption from the deposit beverage container program for liquid dietary supplements in amounts of not more than one ounce;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purpose of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1133, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1133, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Espero, Ruderman). Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 684 (Majority) Ways and Means on S.B. No. 1070**

The purpose of this measure is to enhance the regulation of mortgage servicers.

Specifically, the measure:

- (1) Expands the authority of the Commissioner of Financial Institutions to examine and investigate licensees and other persons subject to the mortgage servicer law, including:
  - (A) Access to accounts, records, documents, information, and evidence relevant to an inquiry or investigation;
  - (B) The ability to hire staff, contract for services, and share resources with other government or regulatory entities; and
  - (C) The authority to charge an hourly examination or investigation fee and reasonable expenses; and
- (2) Increases the application and renewal fees for mortgage servicer licenses.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the Commissioner of Financial Institutions regulates mortgage servicers who relay residential mortgage loan payments from a borrower to the owner of the loan or to other third parties, pursuant to the terms of service. This measure provides the Commissioner with expanded examination and investigation tools and increases the fees for mortgage servicer license applications and renewals to a level commensurate with the actual costs of regulating the industry. Your Committee finds that this measure will ensure the availability of adequate resources for the effective and expeditious licensing and examination of mortgage servicers, which will promote the interests of consumers and businesses alike.

Your Committee has amended this measure by:

- (1) Adding a savings clause;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (3) Making technical nonsubstantive amendments for clarity and style.



As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1070, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1070, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 685 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on S.B. No. 414**

The purpose and intent of this measure is to:

- (1) Require specified persons who own, control, or have custody or control of more than ten dogs over the age of four months with intact sexual organs to meet minimum standards of care and prohibit these persons from placing certain types of dogs in the same enclosure;
- (2) Prohibit any person from owning or having custody of more than thirty dogs over the age of one year with intact sexual organs;
- (3) Require specified persons to maintain specific records for each dog for a specified period;
- (4) Authorize each county to assess, implement, and enforce its own licensing system; and
- (5) Establish civil and criminal penalties for violations.

Your Committees received testimony in support of this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu, The Humane Society of the United States, Hawaiian Humane Society, Hawaii Island Humane Society, Best Friends Animal Society, and numerous individuals. Your Committees received testimony in opposition to this measure from the American Kennel Club, Blue Terrier Club of Hawaii, Cavalier King Charles Spaniel Club of Hawaii, Hawaiian Chinese Shar-Pei Club, Golden Retriever Club of Hawaii, Koolau Pets, National Animal Interest Alliance, and numerous individuals.

Your Committees find that profit-driven breeding is prevalent in Hawaii. According to the Hawaii Data Book 2011, the pet industry amounts to nearly \$96,000,000 a year. A recent internal tracking of puppy sales on Oahu conducted by the Hawaiian Humane Society found that between June 2012 and December 2012, there were 1,689 puppies advertised on three popular internet sales websites, which amounted to over \$1,700,000 in sales. Your Committees further find that because of this type of financial motivation, the puppy industry should be regulated to not only protect dogs, but also to protect consumers. Unfortunately, existing state and federal laws regarding the care and husbandry of dogs inadequately regulate large-scale breeding facilities in Hawaii.

Your Committees additionally find that pet animals, such as dogs, are entitled to a minimum standard of care from their owners. From a consumer protection aspect, the public is also entitled to certain minimum expectations when purchasing a dog, which can be purchased for hundreds or even thousands of dollars and which requires a lifelong commitment of care. This measure recognizes these considerations and will offer better protection for dogs and consumers. However, your Committees have heard concerns relating to the age and number of dogs a specified person is permitted to own, control, or have custody over, as permitted by this measure. Amendments to this measure are therefore necessary to address these issues.

Accordingly, your Committees have amended this measure by:

- (1) Defining “dog breeder” in part I of this measure and amending the definition of “dog breeder” in part II of this measure to mean any person who owns, possesses, controls, or otherwise has charge or custody of more than ten dogs over the age of twelve months with intact sexual organs, and who sells, barter, or otherwise transfers more than three litters or more than twenty-five dogs per calendar year;
- (2) Clarifying that “sufficient veterinary care” includes prompt treatment of any illness or injury by a veterinarian licensed under chapter 471, Hawaii Revised Statutes, when needed to prevent suffering;
- (3) Making conforming amendments related to the requirements for dog breeders for minimum standards of care, recordkeeping, and prohibitions on certain types of dogs in the same enclosure;
- (4) Amending the purpose section for clarity; 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 414, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 414, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 4. Noes, 2 (Taniguchi, Slom). Excused, 1 (Wakai).

Ways and Means  
Ayes, 7; Ayes with Reservations (Kouchi, Thielen). Noes, 1 (Slom). Excused, 5 (Dela Cruz, English, Keith-Agaran, Ruderman, Tokuda).

**SCRep. 686 Judiciary and Labor on S.B. No. 1175**

The purpose and intent of this measure is to:

- (1) Update chapter 329, Hawaii Revised Statutes, to make it consistent with amendments in federal law on controlled substances;

- (2) Amend section 329-14, Hawaii Revised Statutes, to add new controlled substances emergency scheduled by the State under section 329-11, Hawaii Revised Statutes; and
- (3) Amend section 329-75(h), Hawaii Revised Statutes, to limit the penalty to violations of section 329-75(g), Hawaii Revised Statutes, relating to pseudoephedrine.

Your Committee did not accept any testimony on this measure.

Your Committee finds that due to the growing problem of synthetic hallucinogenic substances being developed for sale to the public as “herbal incense” or “bath salts” in the State, the Department of Public Safety’s Narcotics Enforcement Division, as well as the federal Drug Enforcement Administration, have attempted to protect the public by placing in schedule the ever-increasing number of synthetic cannabinoids and cathinones labeled as “not for human consumption” but sold in retail shops with the promise of powerful hallucinogenic legal highs. Last year, state and county law enforcement began discovering a new synthetic cannabinoid being sold throughout the State, UR-144 Tetramethylcyclopropanoylindole, which this measure adds to section 329-14, Hawaii Revised Statutes. This measure also amends section 329-75(h), Hawaii Revised Statutes, to update the corresponding penalties for sales of products, mixtures, or preparations containing pseudoephedrine in order to protect Hawaii’s residents. Your Committee further finds that these updates to Hawaii’s Uniform Controlled Substances Act are in the interest of public health and safety.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1175 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 687      Judiciary and Labor on S.B. No. 1181**

The purpose and intent of this measure is to:

- (1) Add child support payments as obligations for inmates on furlough who are employed and prioritize the order in which various obligations shall be paid; and
- (2) Specify the percentage of earnings that shall be deducted to satisfy outstanding orders regarding restitution, crime victim compensation, other fees and fines, and child support and reimbursement to the State for the cost of room and board.

Your Committee did not accept any testimony on this measure.

Your Committee finds that child support orders are not included in statute as financial obligations for committed persons on furlough who are employed outside of the correctional facility. This measure adds child support payments as priority obligations for inmates on furlough who are employed. Your Committee further finds that this measure specifies that twenty-five percent of the net earnings of inmates who are employed while on furlough shall be deducted to satisfy outstanding restitution orders, which aligns with section 10, Act 139, Session Laws of Hawaii 2012, and adds other court ordered fees and fines as obligations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1181, 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. 688      Judiciary and Labor on S.B. No. 1141**

The purpose and intent of this measure is to:

- (1) Establish a one-year limit on the length of time an individual may remain on conditional release if charged with a misdemeanor, petty misdemeanor, or violation;
- (2) Clarify the circumstances under which the one-year conditional release status may be tolled pending an individual’s hospitalization; and
- (3) Require public agencies in possession of information related to a defendant’s fitness to proceed to provide the information to the court.

Your Committee did not accept any testimony on this measure.

Your Committee finds that the Governor commissioned a special action team in June 2012 to analyze causes and identify ideas to address the systemic factors contributing to the increased rate of admission and increased length of stay of persons admitted to the Hawaii State Hospital. This measure is the result of the special team’s efforts to improve the State’s forensic mental health services.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 1141, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1141, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 689 (Majority) Judiciary and Labor on S.B. No. 1127**

The purpose and intent of this measure is to:

- (1) Amend section 709-908, Hawaii Revised Statutes, to add a definition of “electronic smoking device”;
- (2) Prohibit the selling or furnishing of electronic smoking devices to minors under eighteen years of age;
- (3) Prohibit minors under eighteen years of age from purchasing electronic smoking devices; and
- (4) Require the inclusion of a statement regarding the prohibition of the sale of electronic smoking devices to persons under the age of eighteen years on signage required on or near a vending machine, point of sale, or other location where tobacco is sold.

Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii, and sixty-three individuals.

Your Committee finds that electronic smoking devices have become increasingly prevalent and widely available, with some marketers of electronic cigarettes actively targeting minors. This measure will make Hawaii one of several states that prohibit the sale of electronic smoking devices to minors.

Your Committee has amended this measure by:

- (1) Substituting references to “electronic smoking devices” with “vapor products”;
- (2) Substituting references to “tobacco” with “tobacco products”;
- (3) Inserting definitions of “tobacco products” and “vapor products”; 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. 1127, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1127, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 690 (Joint) Education and Ways and Means on S.B. No. 215**

The purpose and intent of this measure is to:

- (1) Establish the Public-Private Partnership Authority within the Department of Business, Economic Development, and Tourism to administer, coordinate, and provide leadership for the financing, improvement, or enhancement of appropriate state-owned facilities, operations, and property;
- (2) Require the Public-Private Partnership Authority to complete pilot projects prior to the implementation of any other projects; and
- (3) Make an unspecified appropriation for the Public-Private Partnership Authority.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Office of the Mayor, County of Maui; Hawaii Masons’ Union; Masons Union Local 1 & 630; Land Use Research Foundation, and two individuals. Your Committees received testimony in opposition to this measure from Malama Kohala Kahakai, Puna Pono Alliance, and thirty-five individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that these are difficult economic times for all levels of government. The State faces the challenge of balancing its budget while addressing escalating infrastructure and service needs. Establishing an agency to facilitate public-private partnerships between other state agencies and private parties will help the State meet its infrastructure and service needs.

Your Committees want to make clear that this measure requires the Public-Private Partnership Authority to follow all state laws, including chapter 103D, Hawaii Revised Statutes, the Hawaii Public Procurement Code, and chapter 92, Hawaii Revised Statutes, Hawaii’s Sunshine Law.

In addition, your Committees note that this measure does not exempt the Public-Private Partnership Authority from any county laws or ordinances. Instead, this measure provides the counties with flexibility to determine on their own whether to waive any county law or ordinance and does not preclude the counties from passing any ordinance or entering into any memorandum of agreement that would provide for stricter regulations than what the counties already have in place.

As this measure moves forward, your Committees ask that the definitions in this measure be re-examined. Your Committees suggest looking to federal law for definitions that provide greater clarity.

Your Committees have amended this measure by:

- (1) Amending the definition of “project” to remove the management of programs by the Public-Private Partnership Authority;
- (2) Amending the powers of the Public-Private Partnership Authority by deleting language relating to the Hawaii Community Development Authority’s land use, zoning, and permitting exemptions;
- (3) Deleting language requiring the provisions of the chapter governing the Public-Private Partnership Authority to be liberally construed;

- (4) Clarifying that prior to implementing any project, the Public-Private Partnership Authority shall obtain the prior approval of the board or executive of any public agency affected by the project;
- (5) Deleting the language establishing the public-private partnership special fund and adding language to require that any revenues generated from public-private partnership projects and plans be deposited into the general language fund;
- (6) Deleting language establishing the stadium facilities special fund;
- (7) Clarifying that the film production facility pilot project shall be on the most populous island of a county with a population between one hundred thousand and one hundred seventy-five thousand, rather than between one hundred thousand and one hundred fifty thousand;
- (8) Clarifying that there shall be only one county initiated pilot project, rather than up to one pilot project in each county, and removing the requirement that the county project be related to education or economic development;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion;
- (10) Repealing this measure on July 1, 2018; 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 Education and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 215, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 215, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Education

Ayes, 4; Ayes with Reservations (Ruderman, Shimabukuro). Noes, none. Excused, 1 (Kidani).

Ways and Means

Ayes, 11; Ayes with Reservations (Espero, Ruderman). Noes, none. Excused, 2 (Kidani, Thielen).

**SCRep. 691      Judiciary and Labor on S.B. No. 3**

The purpose and intent of this measure is to provide for the election of the Office of Hawaiian Affairs board members through a system of nonpartisan primary and general elections to begin with the 2014 elections.

Your Committee received testimony in support of this measure from the Hawaiian Affairs Caucus of the Democratic Party of Hawaii and four individuals. Testimony in opposition to this measure was submitted by two individuals. Your Committee received comments on this measure from the Department of the Attorney General, Office of Hawaiian Affairs, Office of Elections, and Office of the County Clerk of the County of Kauai.

Your Committee finds that the absence of a primary election for the members of the Board of Trustees of the Office of Hawaiian Affairs causes a large pool of trustee candidates competing for only a few positions in the general election. A primary election process for the Board of Trustees will serve to narrow the pool of trustee candidates in the general election, limit the significant dispersion of votes that often occurs due to the large pool of candidates, and ensure a more democratic process.

Your Committee has amended this measure by:

- (1) Adopting the conforming amendments suggested by the Department of the Attorney General to amend sections 13D-4(c), 13D-5, and 17-7, Hawaii Revised Statutes, that removes redundancies, provides clarity and consistency, and deletes references to "special election"; 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. 3, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 692      Judiciary and Labor on S.B. No. 310**

The purpose and intent of this measure is to reduce hospitalization and incarceration of persons with severe mental illness through the establishment of an assisted community treatment program.

Your Committee did not accept any testimony on this measure.

Your Committee finds that that there are serious problems of high incarceration and hospitalization rates of those with severe mental illness. Assisted community treatment provides an opportunity for people with serious mental illness to be treated in the least restrictive setting and reduces the trend toward criminalizing mental illness.

Your Committee has amended this measure by:

- (1) Deleting the definitions of "obviously ill" in sections 334-1 and 334-122, Hawaii Revised Statutes, and inserting new language to define "obviously ill" under section 334-1, Hawaii Revised Statutes;
- (2) Specifying under section 334-127, Hawaii Revised Statutes, that the court order shall also apply to the subject in the event that the subject changes the setting of treatment when the family court determines the subject's treatment;

- (3) Clarifying under section 334-129, Hawaii Revised Statutes, that no subject shall be physically forced to take medication under a family court order for assisted community treatment unless the subject is hospitalized or placed in a correctional facility subsequent to the date of the assisted community treatment order for failure to comply with the order of the court; 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. 310, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 310, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 693      Judiciary and Labor on S.B. No. 1169**

The purpose and intent of this measure is to:

- (1) Specify the offenses for which property is subject to forfeiture under chapter 6K, Hawaii Revised Statutes, relating to the Kaho'olawe Island Reserve, including any activity prohibited by rules of the island reserve and any violation of rules regulating fishing in waters within the island reserve except by persons or vessels within one nautical mile of the boundaries of the island reserve; and
- (2) Clarify that property seized pursuant to conservation and resources enforcement actions may be forfeited and any natural resource seized may be disposed of as provided by law.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Kaho'olawe Island Reserve Commission, and Ocean Tourism Coalition. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that this measure serves as a deterrent to conservation and natural resource violations, thus strengthening the enforcement powers of the Department of Land and Natural Resources and protecting the natural resources of the island reserve. Your Committee notes that forfeiture is not intended to be used for inadvertent acts or emergency entries onto the island reserve.

Your Committee further notes the amendment suggested by the Kaho'olawe Island Reserve Commission and Ocean Tourism Coalition regarding an exception for persons or vessels within one nautical mile of the boundaries of the island reserve under the offenses that are subject to forfeiture. The Commission and the Ocean Tourism Coalition recommended that for purposes of clarity, this exception should apply to any prohibited activity, not only any violation of rules regulating fishing in waters.

Accordingly, your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the Kaho'olawe Island Reserve Commission and Ocean Tourism Coalition to clarify that the exception for persons or vessels within one nautical mile of the boundaries of the island reserve applies to any prohibited activity, not only any violation of rules regulating fishing in waters;
- (2) Making conforming amendments to the purpose section under section 1 to reflect the amendments made to section 2;
- (3) Inserting an effective date of 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 S.B. No. 1169, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1169, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 694      (Joint/Majority) Judiciary and Labor and Ways and Means on S.B. No. 894**

The purpose and intent of this measure is to appropriate funds and to authorize the Governor, or the Governor's designee, to continue efforts to acquire certain unimproved lands surrounding a resort property located in Kahuku, Oahu.

Your Committees did not accept any testimony on this measure.

The subject property under negotiation includes the unimproved lands adjacent to the Turtle Bay Hotel and Resort. The subject matter of this measure dates back to the latter years of the previous administration as part of an effort to purchase and protect precious natural resource lands from development. Despite two separate attempts to acquire the land, nothing has been successfully completed, and the purchase is still pending. Your Committees believe that it remains in the public's best interest to continue efforts to protect the undeveloped portions of the subject property.

Your Committees recognize both sides of the argument. On the one hand, a cogent argument can be made that the Turtle Bay Hotel and Resort is the only major economic stimulus for the area in the form of employment and future affordable housing. On the other hand, the slogan "Keep the country country" has merit, particularly when considering the potentially disruptive impact of the expansion on rural lifestyles, especially impacts of traffic congestion and the undeniable demands on infrastructure improvements such as roads and sewers.

Your Committees are cognizant that residents of the North Shore prefer to live in a rural environment and live there by choice rather than by circumstance. However, the North Shore represents perhaps the last bastion of developable land, which makes the North Shore

the symbolic lightning rod on the issue of development and tourism, particularly considering the State's limited industrial potential and its disproportionate reliance on tax revenues.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that its purpose is to appropriate funds to conserve, rather than acquire, the undeveloped, rather than unimproved, lands through a purchase, easement, or other means as provided by law;
- (2) Clarifying that the Governor or the Governor's designee is required to negotiate with the current owners of the property to conserve the undeveloped portions of the property;
- (3) Specifying that the lands to be conserved:
  - (A) Shall include the undeveloped lands, defined as those that are not used for the existing hotel and condominiums;
  - (B) May include the unoccupied areas, such as the golf courses, stables, parking areas, nurseries, and lands with similar uses that could be relocated; and
  - (C) Generally include the undeveloped portions of the subject property and other lands that have significant conservation or historic value if the conservation would better protect coastal and natural resources between Malaekahana State Recreational Area and Kawela Bay;
- (4) Deleting language that authorizes the Governor to exercise the power of eminent domain to acquire lands if an agreement to acquire the subject property is not reached within a reasonable time;
- (5) Inserting an unspecified appropriation amount for fiscal years 2013-2014 and 2014-2015 and clarifying that the appropriation is for the fee simple purchase, easement, or other means as provided by law to conserve the undeveloped portions of the subject property and adjacent lands identified in the measure;
- (6) Inserting a sunset date of November 6, 2018, to coincide with the general election day at the end of the current or subsequent Governor's term; 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 Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 894, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 894, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 4; Ayes with Reservations (Gabbard). Noes, 1 (Slom). Excused, none.

Ways and Means

Ayes, 7; Ayes with Reservations (Chun Oakland, Dela Cruz, Kahele, Kouchi, Ruderman). Noes, 5 (English, Espero, Kidani, Tokuda, Slom). Excused, 1 (Keith-Agaran).

**SCRep. 695 (Majority) Ways and Means on S.B. No. 17**

The purpose and intent of this measure is to levy the environmental response, energy, and food security tax on liquid, gaseous, and solid fossil fuels.

More specifically, this measure:

- (1) Defines "fossil fuel" and amends the definition of "distributor" in section 243-1, Hawaii Revised Statutes;
- (2) Amends section 243-3.5, Hawaii Revised Statutes, to levy the environmental response, energy, and food security tax on liquid, gaseous, and fossil fuels;
- (3) Amends the allocations of the environmental response, energy, and food tax collected to the environmental response revolving fund, energy security special fund, energy systems development special fund, and agricultural development and food security special fund;
- (4) Deletes the repeal date of the portion of Act 253, Session Laws of Hawaii 2007, as amended, that established chapter 304A, part IV, subpart N, Hawaii Revised Statutes, relating to the Hawaii Natural Energy Institute, and section 304A-2169, Hawaii Revised Statutes, relating to the energy systems development special fund; and
- (5) Makes appropriations out of the:
  - (A) Energy security special fund;
  - (B) Agricultural development and food security special fund; and
  - (C) Environmental response special fund.

Your Committee received written comments in support of this measure from the Department of Agriculture; Department of Business, Economic Development, and Tourism; Hawaii Natural Energy Institute at the University of Hawaii at Manoa; The Nature Conservancy; and one concerned individual.

Your Committee received written comments in opposition to this measure from AES Hawaii and Hawai'i Gas.

Your Committee received written comments on this measure from the Department of Taxation, the Tax Foundation of Hawaii, and Alexander & Baldwin, Inc.

Your Committee finds that this measure will ensure that all fossil fuels are appropriately taxed and assist in improving the energy and food security of the State.

Your Committee has amended this measure by:

- (1) Amending the definition of “fossil fuels” to include fuels created from processing the substances listed in the current definition;
- (2) Providing that the tax shall apply to coal used to fulfill any power purchase agreement extended, modified, or renewed after September 1, 2016, rather than June 30, 2013;
- (3) Providing that the tax shall not apply to a public utility until the conclusion of the public utility’s next rate case;
- (4) Providing that the tax shall not apply to coal utilized by an independent power producer that provides firm capacity power to a public utility whereby the annual heat input from non-fossil fuels of the firm capacity power generated by the independent power producer exceeds the annual heat input from fossil fuels;
- (5) Changing the amounts of the allocations to the environmental response revolving fund, energy security special fund, energy systems development special fund, and agricultural development and food security special fund to unspecified amounts;
- (6) Deleting all appropriations;
- (7) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (8) 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. 17, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 17, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 696      Ways and Means on S.B. No. 105**

The purpose and intent of this measure is to establish a statewide fall prevention and early detection program.

Your Committee received written comments in support of this measure from the Executive Office on Aging and four concerned individuals.

Your Committee finds that falls among the elderly pose a significant public health issue and insufficient resources are presently allocated to reducing and promptly detecting falls among the elderly.

Your Committee has amended this measure by:

- (1) Moving the new section to part II of chapter 321, Hawaii Revised Statutes, making necessary conforming amendments, and clarifying that the program is established in the Department of Health’s Emergency Medical Services and Injury Prevention System Branch;
- (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. 105, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 105, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 697      Ways and Means on S.B. No. 199**

The purpose and intent of this measure is to establish a colorectal cancer screening pilot program to promote the early detection of colorectal cancer.

The Queen’s Health Systems and the American Cancer Society Cancer Action Network submitted written comments in support of this measure. Your Committee received written comments on this measure from the Department of Human Services.

Your Committee understands that approximately half of all individuals for whom colorectal cancer screening is recommended do not follow through with obtaining the screening. Your Committee also understands that most people can obtain a colorectal cancer screening at no additional cost through Medicaid or through their health plan, due to provisions in the federal Patient Protection and Affordable Care Act that require health plans to provide complete coverage for various preventative services. Accordingly, your Committee finds that it would be more effective and beneficial to fund a program to raise awareness of colorectal cancer screening than to fund the actual screenings.

Your Committee has amended this measure by

- (1) Changing the focus and amending the name of the pilot program to the “Hawaii colorectal cancer screening awareness pilot program” and making conforming amendments;
- (2) Deleting provisions requiring the Department of Health to provide colorectal cancer screenings;
- (3) Requiring the Department of Health to provide referral services for individuals diagnosed with colorectal cancer;
- (4) Changing the appropriation to an unspecified amount;
- (5) Changing the reporting and repeal dates to reflect a two-year pilot program;
- (6) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (7) 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. 199, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 199, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 698      Ways and Means on S.B. No. 240**

The purpose and intent of this measure is to clarify the training requirements and opportunities for school health aides.

More specifically, this measure:

- (1) Requires that school health aides be trained and provided clinical direction by the Department of Health, in consultation with the University of Hawaii School of Nursing and Dental Hygiene; and
- (2) Repeals section 302A-708, Hawaii Revised Statutes, eliminating the requirement for the Department of Education to provide career pathways development and training opportunities to school health aides in the Department of Education’s school health services field.

Your Committee finds that this measure provides a reasonable and cost-effective method of training school health aides.

Your Committee has amended this measure by:

- (1) Adding the word “training” to the title of the section 302A-854, Hawaii Revised Statutes, to more accurately reflect the amended language of the section; 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 is in accord with the intent and purpose of S.B. No. 240, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 240, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Slom).

**SCRep. 699      (Majority) Ways and Means on S.B. No. 331**

The purpose and intent of this measure is to increase the minimum wage over time and then adjust it annually in accordance with changes to the consumer price index.

More specifically, this measure changes the minimum wage to:

- (1) \$8.25 per hour beginning July 1, 2013;
- (2) \$8.75 per hour beginning July 1, 2014;
- (3) \$9.25 per hour beginning July 1, 2015; and
- (4) An amount adjusted in accordance with changes to the consumer price index beginning July 1, 2016, and every year thereafter.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; Hawaii State AFL-CIO; Hawaii Alliance for Retired Americans; American Income Life Insurance Company; Faith Action for Community Equity; Hawaii Catholic Conference; Pride at Work Hawaii; American Civil Liberties Union of Hawaii; Hawaii Appleseed Center for Law and Economic Justice; Duke’s Waikiki; ILWU Local 142; Hawaii Government Employees Association; TS Restaurants; and seventeen concerned individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Food Industry Association; Ken’s House of Pancakes; Meadow Gold Dairies Hawaii; Papyrus, Inc.; Retail Merchants of Hawaii; Tamura Super Market; Aloha Petroleum, Ltd.; Hawaii Foam Products, LLC; Minit Stop Holdings, LLC; KYD, Inc.; Kauai Chamber of Commerce; the Chamber of Commerce of Hawaii; and six concerned individuals.

Your Committee received written comments on this measure from the Department of Human Resources Development.

Your Committee finds that increases to the minimum wage are necessary and should ultimately be tied to the consumer price index for the Honolulu region.



Your Committee has amended this measure by:

- (1) Specifying that the consumer price index to be applied is the consumer price index (CPI-W) for the Honolulu region;
- (2) Changing the amounts that determine whether a tipped employee may be paid below minimum wage to unspecified amounts;
- (3) Changing the beginning date of any minimum wage increase from July 1 to January 1; and
- (4) 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. 331, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 331, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Ruderman). Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 700 Ways and Means on S.B. No. 1073**

The purpose and intent of this measure is to establish the licensing and regulation of dental insurers under the Insurance Commissioner.

More specifically, this measure prohibits any person from establishing or operating as a dental insurer without:

- (1) Meeting the requirements of chapter 423, Hawaii Revised Statutes, regarding dental service corporations; and
- (2) Obtaining a certificate of authority to operate as a dental insurer issued by the Insurance Commissioner.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that in order for a dental insurer to sell a standalone dental plan through the Hawaii Health Connector, the dental insurer must be licensed. This measure requires dental insurers to be licensed, thus allowing them to sell dental plans through the Hawaii Health Connector.

Your Committee has amended this measure by:

- (1) Adding a definition of “dental service corporation”; 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. 1073, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1073, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 701 Ways and Means on S.B. No. 1124**

The purpose and intent of this measure is to facilitate expenditures from the dietitian licensure special fund to support administration of the licensure program.

More specifically, this measure:

- (1) Establishes an expenditure ceiling for the special fund;
- (2) Requires the transfer of funds in excess of the ceiling to the general fund; and
- (3) Requires the Department of Health to submit annual reports on the special fund.

Your Committee received written comments in support of this measure from Hawaii Dietetic Association. Your Committee received written comments on this measure from the Department of Health.

Your Committee finds that establishing an expenditure limit for the special fund facilitates the prudent fiscal management of the moneys in the dietitian licensure program.

Your Committee has amended this measure by:

- (1) Changing the expenditure ceiling to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1124, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1124, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 702 Ways and Means on S.B. No. 1139**

The purpose and intent of this measure is to promote healthy child development and strengthen families.

More specifically, this measure:

- (1) Establishes a program within the Department of Health for screening and home visiting services for families of newborns; and
- (2) Appropriates funds to the Department of Health to administer the program.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, Catholic Charities Hawaii, Child & Family Service, Hawaii Family Support Institute, and three individuals.

Your Committee finds that home visiting programs are a prevention strategy used by states and communities to improve the health and well-being of women, children, and families at risk for adverse health and safety concerns. Your Committee also finds that early investments in home visiting programs have been shown to reduce costs associated with foster care placements, hospitalizations, emergency room visits, unintended pregnancies, and other more costly outcomes and interventions. Your Committee notes that this measure will position the Department of Health to participate in the Social Security Act's Title V grant program for maternal and child welfare and thereby improve the health and safety of eligible families.

Your Committee has amended this measure by:

- (1) Clarifying that the program provide proactive, universal screening of newborns' families rather than of all births;
- (2) Providing that the program consider as a high priority those families at risk for poor health outcomes, child abuse, or neglect;
- (3) Changing the amount of the appropriation to an unspecified amount;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of 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. 1139, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1139, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 703 Ways and Means on S.B. No. 1194**

The purpose and intent of this measure is to adjust the transient accommodations tax rate and the disposition of the transient accommodations tax revenues.

More specifically, this measure:

- (1) Makes permanent the transient accommodations tax rate of 9.25 per cent;
- (2) Eliminates the daily transient accommodations tax for complimentary accommodations;
- (3) Reduces the percentages of transient accommodations tax revenues distributed to the convention center enterprise special fund, the tourism special fund, and the counties; and
- (4) Repeals the temporary ceiling of \$71,000,000 in transient accommodations tax revenues per fiscal year distributed to the tourism special fund until June 30, 2015.

Your Committee received written comments in support of this measure from the Department of Taxation and Starwood Hotels and Resorts.

Your Committee received written comments in opposition to this measure from the Office of the Mayor of the County of Hawaii, the Office of the Mayor of the County of Maui, the Department of Budget and Fiscal Services of the City and County of Honolulu, the Council Chair of the County Council of Maui, three council members of the County Council of Hawaii, the Hawaii Council of Mayors, the Hawaii State Association of Counties, and one individual.

Your Committee received written comments on this measure from the Department of Budget and Finance, the Office of the Mayor of the City and County of Honolulu, and the Tax Foundation of Hawaii.

Your Committee finds that the increased revenues from the present tax rate will continue to effectively fund the activities of the Hawaii Tourism Authority, which markets the State world-wide and strengthens the State's tourism industry.

Your Committee has amended this measure by:

- (1) Retaining the temporary ceiling on transient accommodations tax revenues per fiscal year distributed to the tourism special fund but changing the amount of the ceiling to an unspecified figure;
- (2) Changing to an unspecified amount, the total amount of the transient accommodations tax revenues, and the percentages of the total amount of the transient accommodations tax revenues from the tourism special fund to be deposited into the state parks special fund and the special land and development fund; and
- (3) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the measure

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1194, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1194, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kidani, Ruderman, Thielen, Slom). Noes, none. Excused, 2 (Dela Cruz, Keith-Agaran).

**SCRep. 704 Ways and Means on S.B. No. 1261**

The purpose of this measure is to promote small businesses by lowering the tax rate on beer for breweries and brewpubs that brew or produce no more than sixty thousand barrels of beer per taxable year.

Your Committee received written comments in support of this measure from Maui Brewing Company and a concerned individual.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that by applying a reduced liquor tax rate on beer produced by small breweries and brewpubs, this measure will promote job creation in Hawaii and help the local beer industry compete with large breweries from the mainland that enjoy lower costs of production.

Your Committee has amended this measure by:

- (1) Repealing the expired liquor tax rates in section 244D-4(a), Hawaii Revised Statutes;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (3) 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. 1261, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1261, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 705 Ways and Means on S.B. No. 1360**

The purpose and intent of this measure is to make permanent the general excise tax exemptions for certain real property management transactions.

Specifically, the measure makes the following permanently exempt from the imposition of the general excise tax:

- (1) Funds received by submanagers of associations of apartment owners of condominiums or nonprofit homeowners or community associations for reimbursement of common expenses;
- (2) Funds received by a hotel operator from a time share association to pay employee expenses; and
- (3) Funds received by a hotel suboperator from the owner or operator of a hotel or time share association, to pay employee expenses.

Your Committee received written comments in support of this measure from the Hawaii Association of Realtors and Wyndham Vacation Ownership. Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Act 239, Session Laws of Hawaii 2007, added amounts derived from certain real property management transactions to amounts already exempt from the general excise tax under section 237-24.3, Hawaii Revised Statutes. Thereafter, Act 196, Session Laws of Hawaii 2009, set an aggregate cap of \$400,000 for taxpayers eligible for the exemptions established by Act 239, Session Laws of Hawaii 2007.

Your Committee understands that administering the aggregate cap has been challenging for both the Department of Taxation and taxpayers applying for the exemption because the Department must manually process eligible taxpayer returns to ensure that the aggregate cap is not exceeded. Your Committee further finds that the aggregate cap has also had the inadvertent effect of treating similarly situated taxpayers inconsistently, because only those taxpayers claiming an exemption pursuant to Act 239, Session Laws of Hawaii 2007, are subject to the aggregate cap, even though all amounts covered by section 237-24.3, Hawaii Revised Statutes, are exempt from taxation.

Accordingly, your Committee has amended this measure by:

- (1) Eliminating the \$400,000 aggregate cap on the exemption;
- (2) Providing that the repeal of the aggregate cap shall apply to taxable years beginning after December 31, 2012; and
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1360, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1360, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 706 Ways and Means on S.B. No. 1388**

The purpose and intent of this measure is to amend the membership of the Board of Directors of the Research Corporation of the University of Hawaii, including reducing its membership from ten to eight members.

In addition, this measure:

- (1) Provides that the Research Corporation's exemption from procurement requirements shall not apply to construction contracts above an unspecified value;
- (2) Authorizes the Board of Directors to employ an executive director of the Research Corporation; and
- (3) Establishes a limit on the salary of the executive director.

Your Committee received written comments in opposition to this measure from the State Procurement Office and the University of Hawaii System.

Your Committee finds that the fundamental mission of the Research Corporation of the University of Hawaii is to support the research and training programs of the University of Hawaii and to enhance research, development, and training generally in Hawaii. This measure clarifies the role of the Research Corporation and its Board of Directors, as well as the relationship between the Board of Directors and the University of Hawaii System.

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. 1388, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1388, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 707      Ways and Means on S.B. No. 358**

The purpose and intent of this measure is to require that the Department of Health post on its website electronic copies of reports of its inspections of state-licensed care facilities.

Your Committee received written comments in support of this measure from the State Council on Developmental Disabilities; ILWU Local 142, and one individual. Your Committee received written comments in opposition to this measure from the Adult Foster Home Association and one individual. The Healthcare Association of Hawaii submitted written comments on this measure.

Your Committee finds that requiring the Department of Health to post state-licensed care facility inspection reports on its website will allow the public to better assess a facility's condition and quality of care, and enable families and individuals to make more informed decisions about providers of care services.

Your Committee has amended this measure by:

- (1) Clarifying that reports beginning with inspections occurring on January 1, 2015, shall be posted on the Department of Health's website;
- (2) Requiring the Department of Health to post each report within five working days of the inspection's conclusion;
- (3) Including an appropriation section that appropriates unspecified sums for the 2013-2015 fiscal biennium for computer equipment, website and database development, and staff support, including one full-time equivalent position;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for purposes of clarity, 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. 358, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 358, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Keith-Agaran).

**SCRep. 708      Ways and Means on S.B. No. 403**

The purpose and intent of this measure is to expand the purposes for which the Office of Hawaiian Affairs may issue revenue bonds and expend revenues derived therefrom.

Specifically, the measure authorizes the Office of Hawaiian Affairs to issue revenue bonds to fund loan programs of government agencies, individuals, or organizations for the betterment of native Hawaiians.

This measure also provides the Office of Hawaiian Affairs with greater flexibility in issuing bonds, funding projects, and refunding outstanding bonds.

The Office of Hawaiian Affairs submitted written comments in support of this measure.

Your Committee finds that providing the Office of Hawaiian Affairs with greater flexibility in the use of its revenue bond financing authority will enable the Office to pursue additional types of projects for its Kakaako properties, fund renovation and equipment acquisitions, and more quickly seek opportunities without delays caused by the need for legislative authorization.

Your Committee has amended this measure by:

- (1) Clarifying that, with respect to the payment to an entity providing a support facility service, the payment for such service shall be made from the revenues of the office project or loan program for which the revenue bonds were issued;

- (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. 403, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 403, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kidani, Thielen, Slom). Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 709 Ways and Means on S.B. No. 460**

The purpose and intent of this measure is to appropriate funds for the hiring of an Okinawan studies librarian for the University of Hawaii at Manoa.

Your Committee finds that hiring an Okinawan studies librarian is necessary for the maintenance and development of the extensive collection of Okinawa-related literature and resources at the University of Hawaii at Manoa library. This measure enables the University of Hawaii to hire one full-time librarian who will serve as a liaison for the Center for Okinawan Studies to collaborate with the national and international communities on issues relevant to Okinawan studies and the continued development of Okinawa-related materials at the University of Hawaii at Manoa.

Your Committee has amended this measure by:

- (1) Amending the effective date to July 1, 2050, to promote further discussion on the matter; and
- (2) Making a technical nonsubstantive amendment for consistency and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 460, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 460, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 710 Ways and Means on S.B. No. 500**

The purpose and intent of this measure is to improve the administration of the transient accommodations tax.

More specifically, this measure:

- (1) Clarifies that a community or homeowner association's duty to report to the Department of Taxation is limited to the relevant information and the name, address, and contact information of a local contact the association actually receives from a transient accommodation operator; and
- (2) Amends the fine imposed on an association or an operator for failure to provide the information to a civil penalty of \$1,000 imposed no more than once a year.

Your Committee received written comments in support of this measure from the Department of Taxation and the Department of Planning and Permitting, City and County of Honolulu.

Your Committee finds that Act 326, Session Laws of Hawaii 2012, requires community or homeowner associations to collect information from operators of transient accommodations, maintain the information in their records, and provide that information to the Department of Taxation. Your Committee also finds that Act 326 can be read to require an association to report more information than is actually collected and can penalize the association up to \$100,000 for failure to report, even in situations where the owner of a transient accommodation refuses or fails to provide relevant information or the name, address, and contact information of a local contact to the association. Your Committee further finds that this measure clarifies an association's duty to collect information and modifies the penalties imposed for failure to report.

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 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. 500, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 500, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 711 Ways and Means on S.B. No. 708**

The purpose of this measure is to amend the types of entities that are entitled to receive certain rights under the State's legacy land law and broaden the rights to which those entities are entitled.

Specifically, the measure:

- (1) Amends the types of entities that are entitled to receive a conservation or agricultural easement or deed restriction or covenant from agencies and entities that receive legacy land funding by deleting the reference to a county or federal natural resource conservation agency and broadening the scope of entitled entities to include any appropriate state agency;
- (2) Expands the conditions placed upon recipients of legacy land moneys to include naming the Board of Land and Natural Resources (Board) as an owner of any agricultural easement, deed restriction, or covenant as a condition of receipt of such moneys;
- (3) Expands the authority of the entities entitled to receive a conservation easement, to grant an exemption to legacy land moneys recipients from providing the entitled entity with an agricultural easement, deed restriction, or covenant; and
- (4) Requires state agencies to adopt rules pursuant to chapter 91, Hawaii Revised Statutes, to effectuate the administration of these requirements.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee received written comments in opposition to this measure from the Trust for Public Land and one concerned individual.

Your Committee finds that the Legacy Land Fund provides grants to nonprofit land conservation organizations, state agencies, and counties for the purchase of lands that are deemed to have value as a resource to the State. Under existing law, as a condition of the receipt of funds, the Department of Land and Natural Resources requires grant recipients to abide by certain conditions. Your Committee believes that this measure will allow more flexibility regarding what types of restrictions the Board of Land and Natural Resources may require as a condition of the receipt of funds and therefore increase efficiency and productivity within the Legacy Land program.

Your Committee has amended this measure by:

- (1) Clarifying that only the state agencies that are required to be provided easements, deed restrictions, or covenants must adopt rules pursuant to chapter 91, 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 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. 708, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 708, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Ruderman). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 712 Ways and Means on S.B. No. 754**

The purpose and intent of this measure is to appropriate funds to the Agribusiness Development Corporation to purchase agricultural land.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that this measure enables the Agribusiness Development Corporation to purchase agricultural lands to promote the development and maintenance of agriculture in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date of this measure to July 1, 2050, to promote further discussion on the matter; 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. 754, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 754, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 713 Ways and Means on S.B. No. 803**

The purpose and intent of this measure is to establish a two-year irrigation water conservation best management practices pilot program.

Specifically, the measure requires the Department of Accounting and General Services, Department of Transportation, and Department of Land and Natural Resources to implement irrigation water conservation best management practices, as established by the Landscape Industry Council of Hawaii. The measure also requires these agencies to submit a report to the Legislature regarding the results of the pilot program.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, Kauai Nursery and Landscaping, Landscape Council of Hawaii, Ki Concepts LLC, and two individuals.

Your Committee finds that maintaining and installing water efficient irrigation systems is one of the most effective ways to reduce wasted potable water, run-off, and stormwater sediments and to optimize plant health. Your Committee believes that the pilot program

established by this measure will assist the State in improving the efficiency of all existing and new landscape irrigation installations through low-cost, practical measures.

Your Committee has amended this measure by:

- (1) Appropriating an unspecified amount for fiscal year 2014-2015 for the Department of Accounting and General Services to implement the two-year irrigation water conservation best management practices pilot program; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 803, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 803, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Tokuda).

**SCRep. 714 Ways and Means on S.B. No. 510**

The purpose and intent of this measure is to clarify the responsibilities of professional employer organizations and resolve conflicts with existing laws.

The Department of Labor and Industrial Relations submitted written comments in support of this measure. Your Committee received written comments on this measure from the Tax Foundation of Hawaii and Pro Service Hawaii.

Your Committee finds that although there are eleven registered professional employer organizations in Hawaii, most could not meet various requirements under the law due to incompatible language in chapters 373K and 373L, Hawaii Revised Statutes. This measure will reconcile statutory conflicts and balance the interests of the professional employer organizations with the need for regulatory oversight by establishing a process to qualify for tax exemptions while protecting the rights and benefits of employees.

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 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. 510, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 510, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 715 Ways and Means on S.B. No. 515**

The purpose and intent of this measure is to fund programs that offer services to the homeless.

More specifically, this measure appropriates moneys to the:

- (1) Department of Human Services for the:
  - (A) Homeless Programs Office to assist homeless and at-risk homeless individuals with housing placement, health, education, employment, and other services;
  - (B) Rental assistance program, also known as a shallow subsidy program;
  - (C) Housing First programs, to assist the chronically homeless;
  - (D) Homeless prevention and rapid re-housing programs; and
  - (E) Shelter Plus Care program for the purpose of matching funds from the United States Department of Housing and Urban Development; and
- (2) Department of Health for:
  - (A) Substance abuse treatment and mental health support services for homeless individuals; and
  - (B) Clean and Sober Housing support services.

Additionally, this measure authorizes the issuance of general obligation bonds for fiscal years 2013-2014 and 2014-2015, the revenues of which are to be deposited into the rental housing trust fund, to be expended for the development of low and mixed income housing.

Your Committee received written comments in support of this measure from Hawaii Appleseed Center for Law and Economic Justice and Partners in Care.

Your Committee received written comments on this measure from the Department of Human Services and Catholic Charities of Hawaii.

Your Committee finds that homelessness is a chronic and significant problem in the State and that homeless individuals face numerous issues that require a broad, coordinated network of services and outreach programs. These services and programs target issues such as substance abuse, mental health, housing assistance, health care, employment, and other needs-based services.

Accordingly, your Committee finds that funding to address the specific needs of homeless individuals and increase the State's low and mixed income housing inventory are essential to reducing the number of homeless in Hawaii.

Your Committee has amended this measure by:

- (1) Clarifying how household income will be calculated for qualification purposes for the shallow subsidy program;
- (2) Clarifying that the Department of Human Service's expenditure of moneys for program and administrative costs for the shallow subsidy program shall be through a contract issued pursuant to chapter 103F, Hawaii Revised Statutes;
- (3) Adding an appropriation of an unspecified amount from the housing first special fund to be expended by the Department of Human Services to administer Housing First programs;
- (4) Changing all appropriations in the measure to unspecified amounts;
- (5) Combining the two sections that authorize the issuance of general obligation bonds to the rental housing trust fund into one section;
- (6) Moving the section that appropriates moneys out of the rental housing trust fund to immediately follow the section that authorizes the general obligation bond issuance and deposit of revenues into the rental housing trust fund;
- (7) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (8) 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. 515, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 515, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 716 Ways and Means on S.B. No. 524**

The purpose and intent of this measure is to implement the recommendations of the *Increased Food Security and Food Self-Sufficiency Strategy* by:

- (1) Establishing state planning and policy objectives for the economy of increased demand for, and access to, locally grown foods and increased production of locally grown foods; and
- (2) Making various appropriations.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation, Land Use Research Foundation, and two individuals.

Your Committee finds that approximately eighty-five per cent of the State's food is imported, which makes Hawaii particularly vulnerable to natural disasters and global events that disrupt the chain of food supply. Your Committee believes that by implementing the *Increased Food Security and Food Self-Sufficiency Strategy*, this measure will increase the amount of locally grown food consumed by Hawaii residents, thereby improving the State's food self-sufficiency and food security.

Your Committee has amended this measure by:

- (1) Narrowing the focus of the appropriation in section 5 of the measure to the production of locally grown agricultural product promotional materials, along with other endeavors;
- (2) Clarifying that the Agricultural Development and Food Security Program shall be within the Department of Agriculture;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 524, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 524, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 717 Ways and Means on S.B. No. 624**

The purpose and intent of this measure is to prohibit the use of moneys in the University of Hawaii tuition and fees special fund for administrative salaries at the University of Hawaii.

The University of Hawaii System submitted written comments on this measure.

Your Committee finds that tuition revenues constitute a considerable amount of the core operational funds expended for the daily administration of the University of Hawaii system, but notes that tuition funds are not expended for administrative salaries of critical employees who are responsible for the effective daily operation of the University system. Your Committee further finds that limiting the expenses that may be paid using tuition revenues without addressing those costs that are reasonably necessary for the operation of the University would complicate the University's fiscal operations, without providing any substantial benefit. However, your Committee believes that prohibiting the expenditure of tuition and fees special fund revenues for the salaries of highly paid executive



and managerial positions would not compromise the efficient operation of the University or negatively impact crucial administrative staff.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that moneys deposited into the University of Hawaii tuition and fees special fund shall not be expended on executive and managerial positions with salaries of \$150,000 or more;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, 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. 624, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 624, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 718 Ways and Means on S.B. No. 815**

The purpose of this measure is to support the Judiciary's early intervention services for infants and toddlers by appropriating funds for the Honolulu Zero to Three Court.

Your Committee received written comments in support of this measure from the Judiciary, Hawaii Family Support Institute, and two concerned individuals.

Your Committee finds that in 2008, the Family Court began the Zero to Three Court program in response to increasing scientific evidence that infants and toddlers are neurologically compromised by dysfunctional family dynamics even if they are not directly physically harmed, and that early intervention is effective in preventing or alleviating these problems. The Zero to Three Court began with federal funding and grants from the national non-profit Zero to Three organization and subsequently has been sustained through private funds. This measure will enable the Zero to Three Court to continue providing essential services to children and their families until more long-term state funding can be secured.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 815, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 815, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 719 Ways and Means on S.B. No. 1027**

The purpose and intent of this measure is to provide a process for state consistency review and certification for development by a state agency on state land within a special management area.

More specifically, this measure:

- (1) Specifies that development by a state agency on state land within a special management area need not obtain a permit or shoreline setback variance, if the development meets certain requirements; and
- (2) Allows state agencies with developments on state land to either self-certify compliance with the coastal zone management law, obtain a federal consistency concurrence pursuant to federal regulations, or continue to go through the special management area permitting and shoreline setback variance processes if they prefer.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Office of Planning.

Your Committee received written comments in opposition to this measure from thirteen individuals.

Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that the special management area permitting system is part of the federally approved Hawaii coastal zone management program, which is managed by the counties and overseen by the Office of Planning. Under current law, the special management area permitting process involves public hearings by the county planning commissions or the Honolulu City Council and may involve contested case hearings. Your Committee also finds that this measure provides a streamlined review process for development by a state agency on state land within a special management area, eliminating the need to obtain a county approved special management area permit and shoreline setback variance. Your Committee further finds that this streamlined process will allow the State to expeditiously deliver capital improvement projects and repair and maintenance projects without sacrificing coastal resources.

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. 1027, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1027, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Ruderman, Thielen, Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 720 Ways and Means on S.B. No. 697**

The purpose and intent of this measure is to extend the terms of members of the Aerospace Advisory Committee from two years to four years.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the purpose of the Aerospace Advisory Committee is to advise and assist the Legislature and state agencies in monitoring, assessing, and promoting aerospace development statewide. Your Committee also finds that this measure will enhance the continuity of discourse among the advisory committee members, as well as reduce the administrative efforts required to maintain appropriate representation on the advisory committee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 697 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 721 Ways and Means on S.B. No. 868**

The purpose and intent of this measure is to augment the operations and notice requirements of the Hawaii Labor Relations Board to make it more efficient.

Specifically, the measure:

- (1) Requires the Hawaii Labor Relations Board to provide all parties with written notice of a hearing by first class mail at least fifteen days before the scheduled hearing date; and
- (2) Makes housekeeping amendments regarding the scope of negotiations between the public employer and the exclusive representative.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the Hawaii Labor Relations Board.

Your Committee finds that the Hawaii Labor Relations Board currently uses registered or certified mail to provide notice to parties of a scheduled hearing. This measure would provide adequate notice of hearings to all interested parties and allow the Board to allocate limited funds more 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 S.B. No. 868, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 722 Ways and Means on S.B. No. 998**

The purpose of this measure is to ensure the preservation and protection of Washington Place.

More specifically, this measure:

- (1) Designates the Department of Accounting and General Services as the entity responsible for preserving, protecting, administering, managing, operating, and maintaining Washington Place; and
- (2) Establishes a trust fund for the Department's activities at Washington Place.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services.

Your Committee finds that funding for the management and operations of Washington Place has recently been transferred to the Department of Accounting and General Services. This measure codifies the transfer of management and operations and establishes a trust fund for the deposit of all revenues derived from Washington Place to assist the Department in fulfilling its responsibilities to maintain the historic site.

Your Committee has amended this measure by:

- (1) Providing that any available moneys in the trust fund in excess of an unspecified amount at the close of June 30 of each fiscal year shall lapse to the general fund;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (3) 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. 998, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 998, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 723 Ways and Means on S.B. No. 1007**

The purpose and intent of this measure is to amend Act 82, Session Laws of Hawaii 2003, relating to public land liability.

Specifically, this measure:

- (1) Amends the definition of “improved public lands” to clarify that the term only includes parks and trails that are developed or maintained by the State or county; and
- (2) Defines the term “voluntary trails” and provides that voluntary trails are excluded from the definition of improved public lands.

Your Committee received written comments in support of this measure from twenty-six individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Association for Justice.

Your Committee finds that Act 82, Session Laws of Hawaii 2003, established a process by which the State and counties are provided protection from liability on improved public lands when certain requirements are met. However, as currently written, Act 82 does not distinguish between parks and trails constructed, owned, and maintained by the State and counties and other lands that, although part of the state park system, are not developed or maintained by the State or counties. Your Committee believes that this measure clarifies that public entities do not have a duty to warn of dangerous natural conditions on public lands that are part of the state or county park system, if the land is not developed or maintained by the State or county, including trails created by users that are not part of the statewide trail and access system.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1007, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1007, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Thielen). Noes, none. Excused, 1 (Kouchi).

**SCRep. 724 (Majority) Ways and Means on S.B. No. 1068**

The purpose and intent of this measure is to enable the Commissioner of Financial Institutions to more effectively enforce the money transmitters law and more appropriately supervise, regulate, and examine licensees.

More specifically, this measure, among other things:

- (1) Authorizes the Commissioner to require licensees to register with NMLS;
- (2) Authorizes licensees to voluntarily surrender their licenses;
- (3) Increases the amounts of the required surety bonds;
- (4) Authorizes the Commissioner to enter into agreements with NMLS with regard to records and fees;
- (5) Increases application, initial license, name change, and change of control fees;
- (6) Establishes a schedule of renewal fees based upon the number of annualized money transmissions; and
- (7) Increases the amount of civil penalties.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure is necessary to ensure that the Commissioner has sufficient funds to effectively regulate money transmitters.

Your Committee has amended this measure by:

- (1) Clarifying that licensees are required to maintain a bond;
- (2) Changing the effective date to July 1, 2050, in order to facilitate 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. 1068, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1068, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 725 Ways and Means on S.B. No. 1072**

The purpose and intent of this measure is to improve operations of the Insurance Division of the Department of Commerce and Consumer Affairs to ensure its retention of accreditation from the National Association of Insurance Commissioners (NAIC).

More specifically, this measure amends chapter 431, Hawaii Revised Statutes, regarding the Insurance Code by:

- (1) Increasing the multiplier used for determining whether the filing of a risk-based capital report by a life or accident and health or sickness insurer constitutes a “company action level event”;
- (2) Increasing the maximum allowable credit hours for producer continuing education courses;
- (3) Adopting the provisions of the NAIC Model Regulation to Define Standards and Commissioner’s Authority for Companies Deemed to be in Hazardous Financial Condition;
- (4) Clarifying that the nonrefundable application fee for a captive insurance company redomesticating from another jurisdiction to Hawaii must be paid at the time of application; and
- (5) Clarifying the sections that are applicable to risk retention captive insurance companies.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Captive Insurance Council.

Your Committee finds that this measure updates the Insurance Code to conform with the changes and amendments made by the NAIC in November 2011, in order to ensure that the Insurance Division retains its accreditation with the NAIC.

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 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. 1072, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1072, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 726 Ways and Means on S.B. No. 1082**

The purpose and intent of this measure is to provide the Department of Education with the flexibility necessary to control student transportation costs.

More specifically, this measure repeals various provisions relating to student transportation eligibility requirements and school bus contracts.

A written comment in support of this measure was submitted by the Board of Education.

Your Committee finds that the high cost of student transportation requires more flexibility and the maximization of resources in the contracting of student transportation. Accordingly, your Committee believes that repealing the restrictive provisions relating to the contracting of school buses and transportation of students will give the Board of Education the ability to set terms and policies better suited to their needs and current economic conditions.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1082, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, none.

**SCRep. 727 (Majority) Ways and Means on S.B. No. 1095**

The purpose and intent of this measure is to establish the Early Childhood Education Program.

Your Committee received written comments in support of this measure from the Office of the Governor, Board of Education, Department of Human Services, Early Learning Advisory Board, University of Hawaii System, City and County of Honolulu Department of the Prosecuting Attorney, Castle and Cooke Hawaii, Chaminade University of Honolulu, Hawaii Business Roundtable, Hawaii P-20 Partnerships for Education, IMUAlliance, Kamehameha Schools, Special Education Advisory Board, and seventy-one individuals.

Your Committee received written comments on this measure from the Department of Public Safety and Hawaii Pacific Health.

Your Committee finds that early childhood learning programs encourage positive outcomes for young children by preparing them for school. Significant research suggests that children involved in early education are less likely to drop out of school and have higher reading capabilities than children who have not attended these programs. Your Committee believes that providing high-quality educational programs that increase the likelihood of success for youth are in the best interest of the State. Accordingly, your Committee believes that the Early Childhood Education Program will address Hawaii’s children’s physical, cognitive, linguistic, social, and emotional development and prepare them for success in the classroom.

Your Committee has amended this measure by:

- (1) Clarifying that the measure is to take effect upon the ratification of an amendment to article X, section 1, of the Hawaii State Constitution permitting the appropriation of public funds for private early childhood education programs;
- (2) Clarifying that the Executive Office on Early Learning shall adopt administrative rules necessary to implement the program;
- (3) Changing the effective date to July 1, 2050; provided that the constitutional amendment is ratified, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1095, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1095, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 728 (Majority) Ways and Means on S.B. No. 693**

The purpose and intent of this measure is to improve highway safety.

More specifically, this measure:

- (1) Establishes a three-year pilot photo red light imaging detector system program to improve enforcement of the traffic-control signal laws in all counties with a population in excess of 600,000; and
- (2) Make other amendments regarding highway safety.

Your Committee received written comments in support of this measure from the Hawaii Bicycling League, Mothers Against Drunk Driving Hawaii, and ten concerned individuals.

Your Committee received written comments in opposition to this measure from the American Civil Liberties Union of Hawaii and two concerned individuals.

Your Committee received written comments on this measure from Matson Navigation Co., Inc. and one concerned individual.

Your Committee finds that the prevalence of drivers violating Hawaii's traffic laws, especially on the island of Oahu, has become a serious problem. These violations endanger the lives of motorists and pedestrians. This measure will establish a three-year pilot photo red light imaging detector system program to identify and deter those who run red lights.

Your Committee has amended this measure by:

- (1) Clarifying that information obtained from the pilot project may be used for highway safety research;
- (2) Harmonizing confidentiality provisions of the pilot project with those found in applicable traffic statutes;
- (3) Adding a definition for "truck"; and
- (4) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 693, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 693, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (English, Keith-Agaran, Tokuda).

**SCRep. 729 Ways and Means on S.B. No. 244**

The purpose and intent of this measure is to revise and update the laws regarding charter schools and the State Public Charter School Commission (Commission).

More specifically, this measure, among other things:

- (1) Authorizes charter schools to carry over up to five per cent of most appropriations at the close of a fiscal year;
- (2) Requires charter schools to complete annual independent financial audits;
- (3) Requires the Commission to develop procedures regarding criminal history record checks;
- (4) Specifies enrollment requirements;
- (5) Authorizes the Commission to make facilities funding requests to the Legislature; and
- (6) Requires Commission members to disclose specified charter school relationships to the commission.

Your Committee received written comments in support of this measure from the Board of Education, the Kualapu'u School Public Conversion Charter, the Hawaii Academy of Arts and Science Public Charter School, the Hawaii Technology Academy, the Hawaii Public Charter Schools Network, Ho'okako'o Corporation, and one individual.

Your Committee finds that this measure promotes the goals of Act 130, Session Laws of Hawaii 2012, to establish a solid governance structure for Hawaii's charter school system, by establishing clear lines of authority and accountability that will foster improved student outcomes.

Your Committee has amended this measure by:

- (1) Changing the percentage of an appropriation that a charter school may carry over at the close of a fiscal year to an unspecified amount;
- (2) Requiring the Commission to submit its facilities funding request to the Director of Finance, rather than to the Legislature; 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. 244, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 244, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Keith-Agaran, Kouchi).

**SCRep. 730 Ways and Means on S.B. No. 1099**

The purpose and intent of this measure is to eliminate the asset limit for participants in the Temporary Assistance For Needy Families program (TANF).

Written comments in support of this measure were submitted by the Department of Labor and Industrial Relations Office of Community Services, the Department of Human Services, the Office of Hawaiian Affairs, The Hawaii Appleseed Center for Law and Economic Justice, the Legal Aid Society, and two individuals.

Your Committee finds that the verification of assets is a very difficult, time-consuming, and ineffective method to deter fraud in the TANF program. Your Committee also finds that eliminating the asset limit requirement will not increase costs for the State, will enable the Department of Human Services to provide and service the public in a more efficient and effective manner, and will encourage families to build and increase their assets without fear of losing TANF benefits.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1099, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1099, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 731 Ways and Means on S.B. No. 1162**

The purpose and intent of this measure is to ensure public access to beaches by making permanent the provisions of Act 160, Session Laws of Hawaii 2010, relating to the removal of induced shoreline vegetation.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism, Department of Land and Natural Resources, Office of Hawaiian Affairs, and twelve individuals. Your Committee received written comments in opposition to this measure from the Hawaii Association of Realtors.

Your Committee finds that Act 160, Session Laws of Hawaii 2010, was enacted because there are many shoreline areas throughout the State where the overgrowth of vegetation inhibits lateral access and transit along the beach. Your Committee further finds that, by making permanent the provisions of Act 160, this measure will allow the Department of Land and Natural Resources to continue its efforts in compelling landowners to cut back vegetation that inhibits lateral shoreline access.

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. 1162, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1162, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 732 Ways and Means on S.B. No. 337**

The purpose and intent of this measure is to prohibit the use of certain types of wheels that are considered to be dangerous.

More specifically, this measure prohibits the use of any wheel, wheel cover, hubcap, lug nut or lug cap, prong, or any ornamentation affixed to any of the aforementioned items that uses aftermarket parts and extends out two inches or more past the wheel's rim.

Your Committee finds that modified wheels have a propensity to cause vehicle accidents that result in severe injury and property damage. This measure will penalize their use as a petty misdemeanor.

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. 337, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 337, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 733 (Joint) Ways and Means and Education on S.B. No. 390**

The purpose and intent of this measure is to support non-school hour positive youth programs.

More specifically, this measure appropriates funds to the Department of Human Services to be transferred to the Department of Education, pursuant to a memorandum of agreement, for:

- (1) Non-school hour positive youth programs for middle school youth;
- (2) A Uniting Peer Learning Integrating New Knowledge (UPLINK) administrator; and
- (3) Other UPLINK staffing needs.

Your Committees received written comments in support of this measure from the Department of Education; Department of Human Services, Office of Youth Services; Hawaii Youth Services Network; Hale Opio Kauai, Inc.; and two individuals.

Your Committees find that UPLINK is a non-school hour positive youth program for middle school students that provides opportunities for students to engage in physical activities and other activities, such as learning how to prepare healthy meals. The focus of the program is to provide services for youth for the immediate hours after school, when students may be tempted to engage in risky behaviors, thereby reducing the opportunities for youth to engage in negative or harmful activities. Accordingly, your Committees find that supporting UPLINK promotes the well-being of youth and is in the interest of the State.

Your Committees have 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 records of votes of the members of your Committees on Ways and Means and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 390, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 390, S.D. 2.

Signed by the Chairs on behalf of the Committees.  
  
Ways and Means  
Ayes, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).  
  
Education  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 734 Ways and Means on S.B. No. 479**

The purpose and intent of this measure is to add the director of the authority for rapid/mass transportation to the Metropolitan Planning Organization policy committee.

Your Committee received testimony in support of this measure from the Committee on Transportation, City and County of Honolulu.

Your Committee finds that mass or rapid transit systems will be critical components of transportation infrastructure for the foreseeable future. This measure provides that the director of such a system will rightfully participate in the planning and implementation of the Metropolitan Planning Organization's major programs.

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. 479, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 479, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 735 Ways and Means on S.B. No. 527**

The purpose and intent of this measure is to appropriate funds for the comprehensive breast and cervical cancer control program.

Your Committee received written comments in support of this measure from the Hawaii Medical Association.

Your Committee finds that this measure will enable the comprehensive breast and cervical cancer control program to continue providing valuable services, including screening, education, and treatment, as necessary, and conducting outreach on breast and cervical cancer awareness.

Your Committee has amended this measure by:

- (1) Changing the appropriations to an unspecified amount;

- (2) Making a technical nonsubstantive amendment for the purpose of clarity; and
- (3) Changing the effective date of the measure to July 1, 2050, in order to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 527, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 527, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Espero).

**SCRep. 736      Ways and Means on S.B. No. 571**

The purpose and intent of this measure is to amend the amount of gross proceeds the State retains to cover the costs associated with administering the county surcharge on state tax.

More specifically, this measure:

- (1) Changes the State's automatic deduction of ten per cent of the gross proceeds of a county's surcharge on state tax to a deduction of six per cent to reimburse the State for costs associated with handling the assessments, collection, and disposition of the county surcharge on state tax; and
- (2) Allows the State, by administrative rule, to change the six per cent deduction to an amount not exceeding ten per cent if the costs of assessment, collection, and disposition increase.

Your Committee received written comments in support of this measure from the City and County of Honolulu and the Hawaii Construction Alliance.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that Act 247, Session Laws of Hawaii 2005, authorized the counties to adopt a county surcharge on the state general excise tax. Act 247 also provided that ten per cent of the surcharges collected would be automatically deducted and paid to the State to reimburse the State for costs associated with handling the assessments, collection, and disposition of the county surcharge on state tax. Your Committee also finds that the ten per cent deduction may not accurately reflect the true cost of administering the county surcharge on state general excise tax.

Your Committee has amended this measure by:

- (1) Changing the amount of the automatic deduction to an unspecified amount; 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. 571, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 571, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 737      Ways and Means on S.B. No. 573**

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 for supplementary materials acquired by the teacher for use in the classroom.

Your Committee received written comments in support of this measure from IMUAlliance.

Your Committee received written comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that school teachers often pay out of their own pocket for classroom supplies and supplementary materials. Providing an income tax credit for these expenses would lessen the economic burden on teachers who make the effort to find ways to engage and motivate their students.

Your Committee has amended this measure by:

- (1) Changing the cap on the tax credit to an unspecified amount;
- (2) Replacing a statutory provision specifying the date from which the tax credit is to be applied with appropriate language in the effective date section of 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. 573, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 573, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 738      Ways and Means on S.B. No. 593**

The purpose and intent of this measure is to:



- (1) Appropriate funds to the livestock revitalization program; and
- (2) Expand livestock feed subsidies to include milking goats, sheep, lamb, fish, and crustaceans.

Your Committee received written comments in support of this measure from the Hawaii Cattlemen's Council, the Hawaii Farm Bureau Federation, the Sovereign Councils of the Hawaiian Homelands Assembly, Ulupono Initiative, and two individuals.

Your Committee finds that the cost of feed for livestock production in Hawaii can constitute up to seventy per cent of total production costs. In recent years, the cost of feed has increased significantly and is expected to increase even further. Increased feed costs are threatening the closure of the State's remaining livestock producers. Your Committee further finds that increasing livestock production is vitally necessary to meet the State's goals of ensuring food security and self-sufficiency.

Your Committee has amended this measure by:

- (1) Changing the amount of the appropriation to an unspecified amount;
- (2) Providing that the livestock feed subsidies apply to goats raised for meat, as well as milking goats;
- (3) Changing the minimum flock requirement for sheep and lambs to thirty sheep or lambs annually;
- (4) Establishing the minimum herd requirement for goats raised for meat at thirty goats annually;
- (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 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. 593, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 593, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 739      Ways and Means on S.B. No. 678**

The purpose and intent of this measure is to appropriate funds to support the activities of the Uluulu: The Henry Kuualoha Giugni Moving Image Archive of Hawaii (Moving Image Archive).

Your Committee received written comments in support of this measure from the Department of Business, Economic Development and Tourism, the University of Hawaii West Oahu, Hawaii Chapter of Association of Records Managers and Administrators, Lyman Museum, Pacific Islanders in Communications, Searider Productions, Bernard Osher Foundation, and six individuals.

Your Committee finds that the Moving Image Archive is a unique collection of films and videos that depicts the rich history and culture of Hawaii. Your Committee believes that funding the preservation and maintenance of this collection will further the State's interest in educating current and future generations about the history and culture of Hawaii.

Your Committee has amended this measure by amending the effective date from July 1, 2013, to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 678, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 678, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 740      Ways and Means on S.B. No. 1254**

The purpose and intent of this measure is to appropriate funds to expand emergency medical services and ambulance services in the Ewa Beach community.

Your Committee finds that the closure of the Hawaii Medical Center hospitals reduced access to emergency medical care for the residents of the City and County of Honolulu, especially in the Ewa Beach area. Accordingly, your Committee finds that this measure will ensure that the residents of the Ewa Beach community have available the necessary access to emergency medical services and ambulance services.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective to July 1, 2050, to promote 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. 1254, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1254, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 741 Ways and Means on S.B. No. 1280**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Kona SWAC, LLC, in constructing a portion of a seawater air conditioning district cooling system.

Your Committee received written comments in support of this measure from one individual. Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that Kona SWAC, LLC, seeks to develop a seawater air conditioning solution for Kona that precludes the need to cool water with electricity and instead uses seawater for cooling. Your Committee believes that finding and developing new and innovative technologies that decrease the State's dependence on oil continues to be in the public interest. Accordingly, your Committee finds that assisting in the financing for the construction of a portion of the seawater air conditioning district cooling system to serve Kona and nearby areas on the island of Hawaii furthers the State's interest in developing new and efficient energy systems.

Your Committee has amended this measure by:

- (1) Amending the effective date from July 1, 2050, to July 1, 2013; 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. 1280, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1280, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 742 Ways and Means on S.B. No. 1336**

The purpose and intent of this measure is to designate Kahuku Medical Center as a rural hospital so that it may qualify and maintain its status as a critical access hospital.

Your Committee finds that the Social Security Act requires states to designate hospitals in areas that are officially non-rural, such as Kahuku, as rural hospitals to meet a requirement of the critical access hospital designation. Your Committee further finds that this measure expresses the intent of the State to designate Kahuku Medical Center as a rural hospital so that it may qualify and continue to be a critical access hospital.

Your Committee has amended this measure by:

- (1) Clarifying that the rural hospital designation shall be for purposes of qualifying as a critical access hospital;
- (2) Deleting language in the new section specifying the duration of the rural hospital designation and adding language to the measure to provide for the repeal of the measure on June 30th of an unspecified year;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1336, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1336, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 743 Ways and Means on S.B. No. 16**

The purpose and intent of this measure is to broaden the scope of the solar water heater mandate for new residential construction and to make the approval process more efficient.

More specifically, this measure:

- (1) Requires new duplexes, absent a waiver, to include solar water heaters prior to receiving a building permit;
- (2) Transfers the authority to issue solar water heater variances from the Energy Resources Coordinator to the respective county permitting agencies;
- (3) Requires each County Council to establish procedures and standards for the issuance of waivers by their respective county permitting agency; and
- (4) Clarifies solar water heater waiver application procedures.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Blue Planet Foundation; two members of the Kauai County Council, and two concerned individuals.

Your Committee received written comments in opposition to this measure from the Department of Planning and Permitting, City and County of Honolulu; Kauai County Department of Public Works; and HawaiiGas.

Your Committee finds that by allowing the respective counties to issue solar water heater waivers, both the waiver and building permit will be administered by the same agency, resulting in greater efficiency and economies of scale. In addition, new duplexes should be subject to the solar water heater mandate for the same reasons that the mandate currently applies to single family homes.

Your Committee has amended this measure by:

- (1) Clarifying that the authority to issue waivers shall be transferred to the respective county upon notice to the Governor that necessary ordinances have been adopted by the respective county, to ensure a seamless transition;
- (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, 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. 16, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 16, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 744      Judiciary and Labor on S.B. No. 1370**

The purpose and intent of this measure is to:

- (1) Expand the application of mandatory mortgage foreclosure dispute resolution by requiring mortgagees, at the mortgagor's election, to participate in mediation to avoid foreclosure or mitigate damages from foreclosure prior to filing a judicial foreclosure action for property that has been the mortgagor's primary residence for a specified period; and
- (2) Apply the dispute resolution requirement to judicial foreclosure actions filed prior to the effective date of this measure and pending an initial court hearing.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs. Testimony in opposition to this measure was submitted by the Hawaii Credit Union League, Hawaii Financial Services Association, and Hawaii Bankers Association.

Your Committee finds that the Legislature has previously expressed a desire for dispute resolution combined with the assistance of United States Department of Housing and Urban Development (HUD)-certified housing counselors to be available for homeowners facing foreclosure. Foreclosure mediation has been highly successful in Connecticut, Nevada, and other states and can assist homeowners and loan holders or servicers in reaching agreements involving loan modification or other loss mitigation. These agreements can avoid foreclosure and unnecessary expense and delay.

Your Committee further finds that although mortgage foreclosure dispute resolution is available upon request in non-judicial foreclosures, mortgagees have instead chosen to pursue judicial foreclosure. Although mediation in a judicial foreclosure may be ordered in the discretion of the court, only the Third Circuit, on the Island of Hawaii, has a dedicated foreclosure mediation program. This foreclosure mediation program now reports a high rate of success in foreclosure actions, which has in turn helped alleviate the pressure on the Third Circuit's civil docket. Your Committee additionally finds that although the Hawaii Access to Justice Commission has strongly recommended that the Hawaii Supreme Court retain, improve, and expand the Judiciary's foreclosure mediation program, it has not yet expanded beyond the Third Circuit.

Your Committee also finds that there is emerging evidence that the availability of HUD-certified counselors in foreclosure dispute resolution programs is one of the most, if not the most, important factors in the ability of homeowners to navigate mediation programs and achieve optimal results. The report, released by the Department of Justice Access to Justice Initiative, states that there is ample evidence to suggest HUD-certified housing counselors are successful in the majority of cases in obtaining some form of loss mitigation help for distressed homeowners and thereby avoiding foreclosure.

This measure will ensure mortgage foreclosure dispute resolution is equally available for nonjudicial and judicial foreclosures. This gives all mortgagors facing foreclosure in Hawaii an opportunity to have a specifically trained mediator who can offer assistance regarding the mortgagor's financial situation and any available options. Your Committee concludes that this measure will benefit mortgagors and mortgagees by shortening the overall foreclosure process and reducing strain on the judicial system.

Your Committee notes the testimony in opposition to this measure that requiring a lender to additionally participate in the mortgage foreclosure dispute resolution program before filing a judicial foreclosure action is duplicative. The Hawaii Credit Union League testified that credit unions often have close relationships with their members. Thus, credit unions will begin working with their members as soon as a potential default becomes apparent and provide their members with alternatives to foreclosure as a matter of course. Pre-foreclosure mediation requirements will only duplicate these efforts. Therefore, the Hawaii Credit Union League testified that making mediation mandatory for judicial foreclosures would lengthen the foreclosure process by six to eight months.

Moreover, the Hawaii Bankers Association testified that in January 2012, the Consumer Financial Protection Bureau introduced changes to the federal rules governing mortgage servicing, including foreclosures, and that these rules apply to all persons servicing mortgage loans. Among other things, a lender cannot file for foreclosure until the loan is one hundred twenty days delinquent in order to provide borrowers reasonable time to submit loan modification applications. The Hawaii Bankers Association further testified that lenders are required under the rules to contact the borrower by telephone and provide written notice of loan modification options, including credit counseling contact information. Thus, if a lender is already required under federal regulations to notify borrowers regarding loan modification options prior to filing for foreclosure, a mandatory mediation process on top of these federal requirements is duplicative and potentially burdensome for the lender and borrower.

Accordingly, your Committee has amended this measure by adopting the suggestions made by the Hawaii Bankers Association and the Commissioner of Financial Institutions to:

- (1) Require mortgagees to engage in early intervention measures prior to filing a judicial foreclosure action that complies with the Consumer Financial Protection Bureau federal regulations that include:

- (A) Establishing live contact with the mortgagor to inform the mortgagor about the availability of loss mitigation options; and
- (B) Providing the mortgagor with a written notice that encourages the mortgagor to contact the mortgagee, informs the mortgagor about loss mitigation options, and informs the mortgagor about access to and information about homeownership counselors or counseling organizations, including HUD-certified counselors;
- (2) Amend sections 667-17 and 667-18, Hawaii Revised Statutes, to require an attorney when filing for a judicial foreclosure action to affirm that a mortgagee engaged in loss mitigation procedures with the mortgagor in accordance with federal regulations;
- (3) Exempt the dispute resolution requirement to judicial foreclosure actions if the mortgagee engages in loss mitigation procedures with the mortgagor and add a definition of "loss mitigation";
- (4) Insert an effective date of July 1, 2050, to encourage further discussion; and
- (5) Make 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. 1370, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1370, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Gabbard).

**SCRep. 745 (Joint) Ways and Means and Judiciary and Labor on S.B. No. 1340**

The purpose and intent of this measure is to establish the Young Adult Voluntary Foster Care Program to provide eligible foster care services for youth who are eighteen or older until the age of twenty-one years.

Your Committees received written comments in support of this measure from the Judiciary, the Department of Human Services, Family Programs Hawaii, Hawaii Youth Services Network, EPIC Ohana, and twenty-three individuals.

Your Committees find that many foster youth lose their support systems after reaching the age of eighteen. Many of them are not prepared for the transition into adulthood and therefore are more prone to homelessness and substance abuse and are less likely to graduate from high school or attend a higher learning institution. Studies have shown that young adults who continue to receive foster care services until the age of twenty-one are more likely to succeed in a positive transition into adulthood compared to young adults who stop receiving support services at the age of eighteen. Accordingly, your Committees further find that providing support services for foster youths until the age of twenty-one is necessary to ensure the health, safety, and general welfare of the youth in the State.

Your Committees have amended this measure by:

- (1) Clarifying that the court shall set a periodic review to be held within one hundred eighty days after the signing of the voluntary care agreement;
- (2) Moving substantive language in the definition of "party" to a new subsection in the section pertaining to court proceedings;
- (3) Deleting a redundant provision relating to venue and re-designating the remaining sections accordingly;
- (4) Moving the section regarding the liability of the department to the end of the new part, to allow for a more logical flow of the sections, and re-designating the remaining sections accordingly;
- (5) Requiring the Department of Human Services to submit an annual report to the Legislature regarding the status, efficacy, and any other relevant information regarding the Young Adult Voluntary Foster Care Program, twenty days prior to the convening of each regular legislative session;
- (6) Making unspecified appropriations to the Department of Human Services for child protective services for fiscal years 2013-2014 and 2014-2015;
- (7) Making unspecified appropriations to the Department of Human Services for child protective services payments for fiscal years 2013-2014 and 2014-2015;
- (8) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (9) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1340, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1340, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Ways and Means

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

Judiciary and Labor

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

**SCRep. 746 Ways and Means on S.B. No. 343**

The purpose and intent of this measure is to support dental health services in the State.

More specifically, this measure:

- (1) Requires the Director of Health to participate in the National Oral Health Surveillance System;
- (2) Allows dental hygienists to apply preventative sealants, in conjunction with a licensed dentist, at federally qualified health centers, in a school-based dental sealant program;
- (3) Requires the Department of Health to establish and administer a school-based dental sealant program in a high-need demonstration school;
- (4) Requires the Department of Health to report to the Legislature regarding the efforts to prioritize prevention against tooth decay in children; and
- (5) Appropriates moneys for the school-based dental sealant program.

Your Committee received written comments in support of this measure from the State Council on Developmental Disabilities, Hawaii Dental Hygienists' Association, and three individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Dental Association.

Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the State has an interest in improving access to preventative dental care for the children in the State. The placement of plastic sealants in the molars of children can prevent tooth decay and thereby prevent costly dental procedures. Accordingly, your Committee finds that the creation of a school-based dental sealant program will allow more children to receive this preventative dental procedure and improve the dental health of children in the State.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; 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. 343, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 343, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 747 (Majority) Ways and Means on S.B. No. 332**

The purpose of this measure is to protect employees by expanding the wage information required to be provided on employee pay statements and included in employer records.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that current law requires employers to provide basic pay information to employees on their employee pay statements. This measure expands that information to provide employees greater clarity and transparency on wages and requires employers to maintain accurate records of this information. Your Committee believes that this measure will improve the ability of employees to verify their earnings in this time of economic hardship while enhancing the investigatory and enforcement capabilities of the Department of Labor and Industrial Relations in assisting employees in the recovery of unpaid wages.

Your Committee notes that this measure, if enacted, should have an effective date of January 1, 2014.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 332, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Keith-Agaran).

**SCRep. 748 Ways and Means on S.B. No. 101**

The purpose and intent of this measure is to eliminate required increases to an agency's budget for the implementation of energy efficiency retrofitting through performance contracting.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Budget and Finance; and one individual.

Your Committee finds that this measure will end an unnecessary requirement to automatically increase a state agency's energy budget without regard to need.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 101 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 749 Ways and Means on S.B. No. 86**

The purpose and intent of this measure is to effectively transfer the state income tax and obligations exemption for public housing agencies from the Hawaii Housing Finance and Development Corporation to the Hawaii Public Housing Authority.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that this measure is a housekeeping measure that moves the state tax exemption for income earned and obligations issued by a public housing agency from chapter 201H, Hawaii Revised Statutes, governing the Hawaii Housing Finance and Development Corporation, to chapter 356D, Hawaii Revised Statutes, governing the Hawaii Public Housing 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. 86 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 750 Ways and Means on S.B. No. 71**

The purpose and intent of this measure is to support organizations that provide rehabilitative and re-entry programs and services to incarcerated and formerly incarcerated individuals.

More specifically, this measure appropriates funds to the Department of Public Safety to contract with community-based organizations, in accordance with chapter 103F, Hawaii Revised Statutes, to provide education, mentoring, restorative circles, farming, artisan skills, cognitive behavioral therapy, and cultural healing services to current and former inmates under the custody and control of the Department of Public Safety or the Hawaii Paroling Authority.

Your Committee received written comments in support of this measure from the Community Alliance on Prisons and one individual.

Your Committee received written comments on this measure from the Department of Public Safety.

Your Committee finds that this measure supports organizations that encourage rehabilitation and educate incarcerated and formerly incarcerated individuals. Studies have shown that rehabilitation and re-entry programs for incarcerated and formerly incarcerated individuals lower recidivism rates, thereby making the community safer. Your Committee also finds that this measure provides a reasonable and cost-effective method to provide these services to the target population.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 71, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 71, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 751 Ways and Means on S.B. No. 381**

The purpose and intent of this measure is to amend provisions relating to the public funding program for Hawaii county council elections.

More specifically, this measure:

- (1) Limits the number of candidates in the comprehensive public funding pilot project to twenty-five per election cycle; and
- (2) Changes the funding formula for the public funding pilot project to average the amount of money spent by winning candidates in the last two election cycles for all county district races.

Your Committee received written comments in support of this measure from Occupy Hilo Media Team and one individual.

The pilot comprehensive public funding program for elections to the Hawaii County Council was established by Act 244, Session Laws of Hawaii 2008, and tests the viability of comprehensive public funding of elections by limiting comprehensive public funding to a single county for three election years. Your Committee finds that in the past, there may have been inequities in the funding structure of the pilot project and that this measure will equalize the stipends provided across the county districts in a more equitable manner.

Your Committee has amended this measure by:

- (1) Changing the term "election cycle" to "election period" and providing a definition for that term; and
- (2) Recasting the proposed language 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. 381, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 381, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 752      Ways and Means on S.B. No. 380**

The purpose and intent of this measure is to provide funds for a pilot project to stimulate economic growth in the Puna region of the island of Hawaii, by fostering increased agricultural and other production through higher education.

More specifically, this measure appropriates an unspecified amount to the University of Hawaii for an outreach program, under the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo, to perform a needs assessment for the higher education learning center pilot project in Puna, Hawaii.

Your Committee received written comments in support of this measure from the University of Hawaii at Hilo and the University of Hawaii System College of Agriculture, Forestry, and Natural Resource Management.

Your Committee finds that this measure benefits the State because the outreach program will help to identify educational training needs and resources and contribute to economic revitalization efforts in the area. The pilot project may also serve as a replicable model for higher learning centers for other rural areas of the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 380, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 753      Ways and Means on S.B. No. 369**

The purpose and intent of this measure is to require the Legislature to establish procedures enabling neighbor island residents to testify at legislative committee hearings through the use of audiovisual technology.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, Office of Information Management and Technology, Occupy Hilo Media Team, and eleven individuals. One individual submitted written comments on this measure.

Your Committee finds that community involvement is critical to a well-run democracy. Yet, many neighbor island residents do not participate in the legislative process due to the time and cost of traveling to Honolulu to attend legislative proceedings. Your Committee further finds that establishing videoconferencing at legislative committee hearings will facilitate neighbor island resident participation in the legislative process.

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 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. 369, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 369, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 754      Ways and Means on S.B. No. 301**

The purpose and intent of this measure is to implement recommendations submitted by the Hawaii State Asset Building and Financial Education task force.

More specifically, this measure:

- (1) Establishes a state refundable earned income tax credit; and
- (2) Appropriates moneys for grants to provide financial education and tax workshops.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Aloha United Way; Catholic Charities Hawaii; Goodwill Industries of Hawaii, Inc.; Hawaii Alliance for Community-Based Economic Development; Hawaii Catholic Conference; Hawaii Appleseed Center for Law and Economic Justice; Leeward Housing Coalition; Partners in Care; PHOCUSED; Papakolea Community Development Corporation; the Sovereign Councils of the Hawaiian Homelands Assembly; and six individuals.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii and Hawaiian Community Assets.

Your Committee finds that the Hawaii State Asset Building and Financial Education Task Force was charged with developing policy recommendations to implement various asset building strategies in the State. The task force's recommendations included implementing tax policies that make work pay, improving financial education, helping people start businesses, helping people become homeowners, and removing barriers to asset building. Your Committee further finds that the refundable state earned income tax credit established by this measure will serve to implement the tax policies recommended by the task force.

Your Committee has amended this measure by:

- (1) Deleting the appropriations for grants to the Hawaii Alliance for Community-Based Economic Development;
- (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 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. 301, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 301, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 755 Ways and Means on S.B. No. 239**

The purpose of this measure is to improve the administration of the annual conference of secondary school students, which enables students to identify, discuss, and recommend solutions to major youth problems.

Specifically, this measure:

- (1) Repeals chapter 317, Hawaii Revised Statutes, and moves the statutory provisions relating to the annual conference to chapter 302A, Hawaii Revised Statutes, relating to education;
- (2) Replaces the Governor's authority to appoint members of the student conference committee with that of the Superintendent of Education and the Hawaii Association of Independent Schools;
- (3) Repeals the provision requiring that the Legislature and the Department of Education be included in the membership of the student conference advisory committee, and instead, requires the Department of Education to maintain guidelines and procedures for establishing the advisory committee;
- (4) Repeals the three-day limit for the annual conference and provides that the conference is subject to program and funding limitations; and
- (5) Repeals the requirement for an evaluation report on conference proceedings.

Your Committee received written comments in support of this measure from the Hawaii Association of Independent Schools.

Your Committee finds that the annual conference of secondary school students provides an opportunity to acquire valuable skills and learn from other students through a forum on issues that affect youths. This measure seeks to provide an improved framework for conducting the annual conference, the appointment of members to the student conference committee, and the composition of the student conference advisory committee.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 239, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 756 Ways and Means on S.B. No. 210**

The purpose and intent of this measure is to exempt, from the fee for a new certificate of bicycle or moped registration, any bicycle or moped gifted within ninety days of issuance of the original certificate of registration.

Your Committee finds that current law requires the purchaser of a bicycle or moped to pay a registration fee upon purchase of the bicycle or moped. If the bicycle or moped is then gifted to another, the recipient is required to re-register the bicycle or moped under the recipient's name and pay the applicable transfer of registration fee. This measure will exempt the recipient of a gifted bicycle or moped from payment of a second registration fee if the bicycle or moped is gifted within ninety days of purchase.

Your Committee has amended this measure by:

- (1) Clarifying that the transferee shall not be subject to the registration fee; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 210, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 210, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 757 Ways and Means on S.B. No. 148**

The purpose and intent of this measure is to appropriate funds to establish and operate a comprehensive center for the deaf, hard of hearing, and deaf-blind.

The Department of Human Services submitted written comments on this measure.

Your Committee finds that the deaf community has been attempting to establish a service center for over forty years. The appropriations in this measure will help to establish and operate a comprehensive service center and to assist persons who are deaf, hard of hearing, and deaf-blind to fully participate in Hawaii's community.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and



- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 148, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 148, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 758 (Majority) Ways and Means on S.B. No. 103**

The purpose and intent of this measure is to enhance public awareness on the need for long term care planning and financing.

Specifically, the measure requires the Executive Office on Aging to:

- (1) Inform the public about long term care needs, planning, financing, and other related issues; and
- (2) Have the campaign independently evaluated.

Your Committee received written comments in support of this measure from the Executive Office on Aging, the County of Hawaii Office of Aging, the American Association of Retired Persons Hawaii, ILWU Local 142, Faith Action for Community Equity, and seven individuals.

Your Committee finds that many people in the State are unaware of or underestimate the need to learn about the issues involved in long term care. Accordingly, many people fail to take the time to develop a long term care plan and do not purchase long term care insurance. A long term care public education and awareness campaign administered by the Executive Office on Aging would provide people with much needed information to help them make important long term care decisions.

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 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. 103, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 103, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 759 (Majority) Ways and Means on S.B. No. 1069**

The purpose of this measure is to enhance the regulation of licensees under the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes.

Specifically, the measure amends chapter 454F, Hawaii Revised Statutes, by:

- (1) Clarifying the licensure requirements for mortgage loan originators, mortgage loan originator companies, mortgage servicer companies conducting mortgage loan origination activities, and other licensees;
- (2) Adjusting fees for mortgage loan origination licensees; and
- (3) Establishing fees for mortgage servicer companies that conduct mortgage loan origination activities.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that in addition to clarifying the law regulating mortgage loan origination activities, this measure provides an adjusted licensing fee schedule to help ensure that the Division of Financial Institutions can continue to provide oversight and services for consumers and the mortgage loan origination industry.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for 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. 1069, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1069, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 760 Ways and Means on S.B. No. 709**

The purpose and intent of this measure is to increase the Agribusiness Development Corporation's limit on investments in qualified securities of any one enterprise from \$500,000 to \$3,000,000.

Written comments in support of this measure were submitted by one individual.

Your Committee finds that this measure allows the Agribusiness Development Corporation more investment flexibility by increasing the maximum allowable investment in any one enterprise. Your Committee finds that it is in the State's best interest to support agricultural enterprises in the State.

Your Committee has amended this measure by:

- (1) Changing the investment limit amount to an unspecified amount; and
- (2) Amending the effective date from July 1, 2013, to July 1, 2050, to further discussion on the matter.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 709, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 709, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 761      Ways and Means on S.B. No. 879**

The purpose of this measure is to increase certain witness per diem rates.

Specifically, the measure supports witnesses in criminal proceedings by:

- (1) Raising the per diem rate for out-of-state witnesses from \$110 to \$145; and
- (2) Providing an additional \$90 per diem payment for witnesses traveling from another island within the State who are required to stay overnight.

Your Committee received written comments in support of this measure from the Hawaii Tourism Authority and the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that per diem stipends for witnesses who must travel to an island within the State to attend criminal proceedings have remained unchanged for decades and are no longer sufficient to pay for lodging, meals, and other personal expenses. This measure adjusts per diem stipends to reflect the current cost of living in Hawaii and reduce economic barriers that may discourage or prevent witnesses from participating in criminal proceedings.

Your Committee has amended this measure by:

- (1) Changing to unspecified amounts:
  - (A) The increased per diem payment for out-of-state witnesses; and
  - (B) The additional per diem payment for witnesses traveling from another island within the State who are required to stay overnight;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; 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. 879, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 879, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 762      Ways and Means on S.B. No. 623**

The purpose and intent of this measure is to:

- (1) Replace the current renewable energy technology systems tax credit with tax credits for solar energy property and wind energy property; and
- (2) Require the Department of Taxation, in collaboration with the Department of Business, Economic Development, and Tourism, to report to the Legislature regarding tax credits claimed under section 235-12.5, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Blue Planet Foundation; Distributed Energy Partners; First Wind; Hawaii PV Coalition; Hawaii Renewable Energy Alliance; Hawaii Solar Energy Association; Inter-Island Solar Supply; Kairos Energy Capital LLC; Keahole Solar Power LLC; Mainstream Energy Corporation; RevoluSun; Sovereign Councils of the Hawaiian Homelands Assembly; SunEdison; Sunrun Inc.; SunPower Systems, Corporation; SolarCity; The Pacific Resource Partnership; Ulupono Initiative; and four individuals.

Your Committee received written comments in opposition to this measure from the Sierra Club, Hawaii Chapter; and Kauai Island Utility Cooperative.

Your Committee received written comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Forest City Hawaii.

Your Committee finds that providing tax credits to reimburse taxpayers for a portion of the cost of installing solar and wind energy properties promotes the State's goals of energy self-sufficiency and renewable energy production. Your Committee also finds that this measure amends section 235-12.5, Hawaii Revised Statutes, to administer these tax credits in a more balanced manner.

Your Committee has amended this measure by:

- (1) Changing the amounts of the tax credit for all solar energy properties and the cap amount of the tax credit for each wind energy property to unspecified amounts;
- (2) Establishing an unspecified cap amount on the tax credit for a solar energy property that is used to generate electricity and is one megawatt or larger in alternating current capacity;
- (3) Changing the date by which a solar energy property that has the capacity to generate one megawatt or more in alternating current electricity must demonstrate eligibility for the alternate tax rate from December 31, 2012, to December 31, 2013;
- (4) Deleting the provisions that prohibited tax credits for:
  - (A) Any entity referred to in section 54(j)(4) of the Internal Revenue Code; or
  - (B) Any partnership or other pass-thru entity that has as a partner or other holder of an equity or profits interest that is:
    - (i) Any entity referred to in section 54(j)(4) of the Internal Revenue Code; or
    - (ii) Any federal, state, or local government or any political subdivision, agency, or instrumentality thereof;
- (5) Replacing the term "system" with the term "property" in certain instances, as appropriate;
- (6) Deleting the definition of the term "competitive bid solar energy property";
- (7) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (8) 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. 623, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 623, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Keith-Agaran, Ruderman).

**SCRep. 763 Ways and Means on S.B. No. 1042**

The purpose and intent of this measure is to update codified position descriptions for Public Utilities Commission staff and to authorize the Chairperson of the Public Utilities Commission to appoint and dismiss a chief administrator, attorneys, and other staff, as provided by law.

Your Committee received written comments in support of this measure from the Public Utilities Commission and Department of Commerce and Consumer Affairs.

Your Committee finds that the increased demand for energy and technological advancements in generating renewable energy, as well as changes in the delivery of other public utilities, requires the Public Utilities Commission to have a modernized and sophisticated workforce to carry out its increasingly complex regulatory functions. This measure will allow the Chairperson the flexibility to identify, design, and fill the positions necessary to steward the State through these dynamic and challenging technology-driven times.

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. 1042, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1042, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 764 Ways and Means on S.B. No. 993**

The purpose and intent of this measure is to amend provisions relating to the New Farmer Program to provide incentives for individuals to choose farming as a career.

More specifically, this measure:

- (1) Amends the term "new farmer program" to "new farmer";
- (2) Expands the definition of "new farmer" to include a person who graduated from a farm trainee program;
- (3) Establishes farm innovation loans as a new type of class F loan; and
- (4) Excepts from the restrictions of section 155-3, Hawaii Revised Statutes, relating to credit denials, new farmer and farm innovation program loans for less than \$100,000 for farmer trainees and recent college graduates with a degree in agriculture.

Written comments in support of this measure were submitted by the Department of Agriculture, the Hawaii Farm Bureau Federation, and the Ulupono Initiative.

Your Committee finds that the current population of farmers is aging and that providing incentives for new farmer loans and enhancements to the New Farmer Program will encourage younger individuals to choose farming as a career. Your Committee also finds that this measure will provide well-trained farmers in the State and encourage the development of new and innovative farming techniques.

Your Committee has amended this measure by:

- (1) Amending the effective date of this Act to July 1, 2050, to further discussion on the matter; 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. 993, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 993, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 765      Ways and Means on S.B. No. 540**

The purpose and intent of this measure is to permanently enact provisions relating to residency requirements for burial in veterans cemeteries.

Your Committee received written comments in support of this measure from the Office of Veterans Affairs.

Your Committee finds that this measure will ensure that eligible service members of the Armed Services and their dependents will continue to have a local place to rest in peace.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 540 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 766      Ways and Means on S.B. No. 1385**

The purpose and intent of this measure is to implement recommendations of the Senate Special Committee on Accountability to require the members of the University of Hawaii Board of Regents to undergo annual training on the Board of Regents' policies and procedures, Sunshine Law, and laws relating to open records.

Your Committee received written comments on this measure from the Office of Information Practices and the University of Hawaii Board of Regents.

Your Committee finds that members of the Board of Regents would benefit from receiving training to better understand their own policies and procedures, the State's Sunshine Law, open records laws, and also the State's Code of Ethics. In addition, your Committee believes that the Chairperson and Vice-Chairpersons of the Board of Regents should not be elected by outgoing members, but by members who will be remaining on the Board during the Chairperson and Vice-Chairperson's tenure.

In light of these findings, your Committee has amended this measure by:

- (1) Requiring the Board of Regents to receive annual training in the State Code of Ethics, chapter 84, Hawaii Revised Statutes;
- (2) Ensuring that the election of the Chairperson and Vice-Chairperson of the Board of Regents occurs only after all current members have been appointed, and not by outgoing members;
- (3) Clarifying that training for the Board of Regents relating to chapter 92, Hawaii Revised Statutes, applies only to part I of chapter 92;
- (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. 1385, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1385, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 767      Ways and Means on S.B. No. 1256**

The purpose and intent of this measure is to appropriate funds to the Pacific International Space Center for Exploration Systems (PISCES) for purposes of supporting operations and purchasing equipment.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the University of Hawaii at Hilo; a member of the Hawaii County Council; the Lieutenant Governor of the State of Alaska; and nineteen concerned individuals.

Your Committee finds that the field of aerospace has the potential to provide significant economic development, high-paying jobs, and economic diversification for the island of Hawaii and the State. PISCES is a prominent component of the State's aerospace industry development strategy and can help to promote Hawaii's strategically ideal location. Your Committee further finds that funds allocated to PISCES during the 2012 legislative session will be completely encumbered or expended by the end of the fiscal year and that additional general funding is necessary to maintain PISCES' critical operations and equipment purchases through fiscal year 2014.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; 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. 1256, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1256, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 4 (English, Kidani, Thielen, Tokuda).

**SCRep. 768      Ways and Means on S.B. No. 1384**

The purpose and intent of this measure is to change the way legal services are obtained by the University of Hawaii.

Specifically, this measure:

- (1) Limits to one the number of attorneys the Board of Regents may appoint to serve as the University General Counsel;
- (2) Caps the compensation of the University General Counsel at the compensation amount paid to the Attorney General;
- (3) Allows the Board of Regents to contract with independent attorneys solely in cases where the University General Counsel and the Attorney General lack sufficient expertise, and requires that any contracted attorney consult with and work in conjunction with the Attorney General; and
- (4) Charges the Board of Regents with direct oversight of the University General Counsel.

Your Committee received written comments in opposition to this measure from the University of Hawaii System.

Your Committee finds that a Senate Special Committee on Accountability found that the University of Hawaii's (University) practice of contracting with independent attorneys was extensive and a wasteful use of public funds. Your Committee also finds that the University Board of Regents should not contract for legal work or hire independent attorneys unless the University General Counsel's Office or the Department of the Attorney General lack the expertise to handle the matter at hand.

Your Committee believes that the University Board of Regents should work with the Department of the Attorney General to review its policies, and potentially establish new policies, to ensure that the existing legal resources of the University General Counsel's Office and the Department of the Attorney General are more fully utilized to meet the legal needs of the University. Your Committee wishes to emphasize that all legal services of the University should be under the control of the University Board of Regents.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the changes to the composition of the Office of the University General Counsel and the cap on the compensation of the University General Counsel;
- (2) Deleting provisions authorizing the Board of Regents to contract with independent attorneys;
- (3) Exempting the Board of Regents, rather than the University of Hawaii as a whole, from the prohibition against contracting with independent attorneys; and
- (4) Requiring the Auditor to review the contracts with attorneys for legal services entered into by the University of Hawaii within the past five years to examine their provisions, scope, justification, and underlying policies, and report to the Legislature regarding the Auditor's findings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1384, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1384, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Espero, Slom). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 769      (Majority) Ways and Means on S.B. No. 1349**

The purpose and intent of this measure is to provide support for scientific innovation in the State.

More specifically, this measure:

- (1) Reestablishes the income tax credit for qualified research activities that applies to taxable years beginning after December 31, 2010, through December 31, 2017; and
- (2) Requires the Department of Business, Economic Development, and Tourism to conduct studies to measure the effectiveness of the tax credit and submit reports to the Legislature.

Your Committee received written comments in support of this measure from The Chamber of Commerce of Hawaii; Navatek, Ltd.; Cardax Pharmaceuticals, Inc.; Enterprise Honolulu; NovaSol; Oceanit; and one concerned individual.

Your Committee received written comments on this measure from the Department of Taxation, Hawaii Strategic Development Corporation, High Technology Development Corporation, Tax Foundation of Hawaii, and one concerned individual.

Your Committee finds that the income tax credit for qualified research activities encourages job growth in research and development. Your Committee also finds that this measure will contribute to the diversification of the State's economy by creating and maintaining science, technology, engineering, and mathematics jobs in the State.

Your Committee has amended this measure by:

- (1) Specifying that, in order to claim the state income tax credit, a taxpayer must also claim the corresponding federal tax credit under section 41 of the Internal Revenue Code;
- (2) Providing that the Department of Business, Economic Development, and Tourism shall collaborate with the Department of Taxation in conducting its studies on the effectiveness of the tax credit;
- (3) Providing that the tax credit shall apply to taxable years beginning after December 31, 2013, rather than December 31, 2010;
- (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 S.B. No. 1349, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1349, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Ruderman). Excused, 3 (English, Keith-Agaran, Tokuda).

**SCRep. 770 (Majority) Ways and Means on S.B. No. 1306**

The purpose and intent of this measure is to permit the regional systems of the Hawaii Health Systems Corporation and their health facilities to transition to non-public status.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation, Maui Memorial Medical Center, Hilo Medical Center, and three individuals.

Your Committee received written comments in opposition to this measure from the Hawaii State AFL-CIO, Hawaii Government Employees Association, ILWU Local 142, and fifteen individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance and The Queens Health Systems.

Your Committee finds that it is necessary for the State to take affirmative measures to improve the quality, efficiency, and availability of health care services in Hawaii. Your Committee also finds that, in order to address financial challenges, an increasing number of public hospitals across the nation have converted to non-public status. Your Committee further finds that allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to non-public status will likely improve the quality of health care services and operational efficiencies of health facilities in the communities they serve, and, over time, reduce their required level of support from the State.

Your Committee has amended this measure by:

- (1) Providing that, with regard to a transition to non-public status, the retention of liabilities by the Hawaii Health Systems Corporation or the State, accrued benefits status of employees, and any change in collective bargaining shall only occur upon approval of a concurrent resolution by both houses of the Legislature, the regional system board, and any boards in whose region or regions the health facility assets are located;
- (2) Deleting the provision granting a new entity the right to incur revenue bond debt to finance capital expenditures; 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. 1306, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1306, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (Chun Oakland, Espero, Kidani, Ruderman). Noes, 1 (Kahele). Excused, 4 (Dela Cruz, English, Keith-Agaran, Tokuda).

**SCRep. 771 (Majority) Ways and Means on S.B. No. 896**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (2) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (2) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 896, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 772 (Majority) Ways and Means on S.B. No. 897**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (4) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (4) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 897, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 773 (Majority) Ways and Means on S.B. No. 895**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (2) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (2) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 895, 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, none.

**SCRep. 774 Ways and Means on S.B. No. 889**

The purpose and intent of this measure is to clarify that a court may award attorney's fees and litigation costs to the Department of the Attorney General in cases in which the State prevails.

Your Committee received written comments in support of this measure from the Department of the Attorney General.

Your Committee finds that in the past, courts have misinterpreted section 28-6, Hawaii Revised Statutes, and denied the State's request to be awarded attorney's fees and litigation costs when it prevailed in a lawsuit. This measure clarifies that the Department of the Attorney General may be awarded attorney's fees and litigation costs and that the Attorney General and deputies attorney general may not personally be awarded attorney's fees and litigation costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 889, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Espero, Kouchi).

**SCRep. 775 Ways and Means on S.B. No. 46**

The purpose and intent of this measure is to strengthen the State's regulatory oversight of private post-secondary educational institutions.

More specifically, this measure, among other things:

- (1) Transfers the Post-Secondary Education Commission (Commission) from the University of Hawaii to the Department of Commerce and Consumer Affairs (Department);
- (2) Changes the membership of the Commission by removing the members of the Board of Regents of the University of Hawaii from the Commission;
- (3) Expands the powers of the Commission by requiring the Commission to authorize private colleges, universities, seminaries, and religious training institutions to operate in this State;
- (4) Prohibits any person doing business in the State from awarding academic degrees unless the person is authorized by the Commission or is a part of the University of Hawaii System;

- (5) Requires private colleges and universities to be institutionally accredited by a regional or national accrediting body recognized by the United States Department of Education in order to receive authorization to operate in the State;
- (6) Requires private colleges, universities, seminaries, and religious training institutions to meet minimum operating standards in order to maintain their authorization to operate in the State;
- (7) Requires private colleges and universities to provide evidence of financial integrity when applying for authorization;
- (8) Authorizes the Department of Commerce and Consumer Affairs to investigate complaints by students or former students of a private college, university, seminary, or religious training institution and to seek injunctions for violations;
- (9) Establishes a post-secondary education authorization special subaccount within the compliance resolution fund for the collection of authorization fees;
- (10) Repeals chapter 446E, Hawaii Revised Statutes, on unaccredited degree granting institutions;
- (11) Requires the Commission to submit a status report to the Legislature prior to the convening of the Regular Session of 2014; and
- (12) Transfers general funds into the post-secondary education authorization special subaccount to fund four permanent full-time positions.

Your Committee received written comments in support of this measure from the Policy Office of the Governor, the University of Hawaii System, Akamai University, Chaminade University of Honolulu, Hawaii Pacific University, International University of Professional Studies, University of the Nations, and Remington College.

Your Committee received written comments in opposition to this measure from the Department of Commerce and Consumer Affairs.

Your Committee received written comments on this measure from the International Quantum University for Integrative Medicine.

Your Committee finds that this measure is necessary to ensure the continued receipt of federal funds under Title IV of the Higher Education Act of 1965, as amended, to assist the thousands of students in Hawaii who are recipients of Title IV funds.

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

- (1) Amending or adding definitions;
- (2) Revising the exemptions from regulation by the Commission;
- (3) Amending the appointment, composition, officers, and powers of the Commission;
- (4) Clarifying the delegation of duties or powers from the Commission to the Department;
- (5) Clarifying the financial integrity requirements for private colleges and universities;
- (6) Including the University of Hawaii System as an entity subject to the complaints procedures of the Commission;
- (7) Deleting the repeal of chapter 446E, Hawaii Revised Statutes, on unaccredited degree-granting institutions;
- (8) Requiring the Governor to appoint interim members of the Commission;
- (9) Changing the number of full-time equivalent positions to be funded out of the post-secondary education authorization special subaccount to an unspecified number;
- (10) Requiring the Department to contract for an implementation coordinator or team to assist with the implementation of this measure and appropriating funds for the contract;
- (11) Adding boilerplate language on the transfer of personnel, records and equipment, and administrative rules;
- (12) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure; and
- (13) 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. 46, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 46, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 776      Ways and Means on S.B. No. 936**

The purpose and intent of this measure is to amend Act 217, Session Laws of Hawaii 2012, relating to the Hospital Sustainability Program.

Specifically, this measure:

- (1) Adjusts the percentage allocations of funds to be expended from the hospital sustainability program fund for uncompensated care and other purposes;
- (2) Authorizes the Department of Human Services to use funds derived from intergovernmental transfers to support direct supplemental payments to health plans for the benefit of state hospitals;



- (3) Lowers the percentage of a hospital's net inpatient hospital service revenue that is used to set a hospital's inpatient hospital sustainability fee;
- (4) Lowers the net outpatient revenue monetary threshold that qualifies a hospital to pay the hospital sustainability fee on outpatient care services;
- (5) Exempts public hospitals and any hospital that was not in operation during any part of calendar year 2012 from paying the hospital sustainability fee on outpatient care services;
- (6) Increases the total aggregate amount of direct payments to be paid to private hospitals to cover uncompensated care costs in fiscal year 2013;
- (7) Clarifies and updates the text of Act 217;
- (8) Makes an appropriation out of the hospital sustainability program special fund for fiscal year 2013-2014; and
- (9) Extends the repeal date of Act 217 to June 30, 2014.

Your Committee received written comments in support of this measure from the Department of Human Services, Healthcare Association of Hawaii, and Hawaii Pacific Health.

Your Committee finds that extending Act 217 will enable the Department of Human Services to continue to make supplemental payments to help hospitals offset their uncompensated care costs.

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. 936, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 936, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Espero).

**SCRep. 777 (Majority Ways and Means on S.B. No. 1166**

The purpose and intent of this measure is to increase the amount of the conveyance tax on certain real estate transactions and the portion of the conveyance tax revenues directed toward watershed protection and invasive species control.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Department of Taxation, Office of Hawaiian Affairs, Hawaii Invasive Species Council, Catholic Charities Hawaii, Coordinating Group on Alien Pest Species, Dole Food Company Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of Realtors, Hawaii Catholic Conference, Hawaii Green Growth Initiative, Kauai Watershed Alliance, National Tropical Botanical Garden, Partners In Care, The Nature Conservancy of Hawaii, The Trust for Public Land, and twelve individuals.

Your Committee received written comments in opposition to this measure from The Chamber of Commerce of Hawaii.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that ensuring the State's water supply is essential and that protecting forest watersheds is a cost-effective and efficient way to absorb rainwater and replenish ground water. Watersheds also reduce impacts from climate change by absorbing greenhouse gases. Additionally, forests ensure sustainability of irreplaceable cultural values and natural resources. However, hot and dry conditions, as well as damage caused by invasive species, have led to the loss of half of Hawaii's forests.

Your Committee further finds that protection of the State's watersheds is one of the purposes of the natural area reserve fund. This measure provides an additional source of funding for the natural area reserve fund, to be used for watershed protection and invasive species control.

Your Committee has amended this measure by:

- (1) Changing the amount of the conveyance tax on certain real estate transactions and the portion of the conveyance tax revenues allocated for deposit into the natural area reserve fund to unspecified amounts;
- (2) Clarifying that one of the authorized uses of the portion of the conveyance tax revenues paid into the natural area reserve fund is to support projects undertaken in accordance with departmental watershed management plans to protect and restore the health and functionality of watersheds in the State;
- (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. 1166, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1166, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Dela Cruz).

**SCRep. 778 (Majority) Ways and Means on S.B. No. 492**

The purpose and intent of this measure is to impose taxes on tobacco products other than large cigars at a rate similar to those imposed on cigarettes.

More specifically, this measure:

- (1) Imposes an excise tax equal to one hundred two per cent of the wholesale price of any tobacco product, other than large cigars, sold by a wholesaler or dealer on and after January 1, 2014, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer; and
- (2) Requires the additional moneys collected under the excise tax to be deposited to the credit of the Hawaii Cancer Research Special Fund.

Your Committee received written comments in support of this measure from numerous concerned individuals.

Your Committee received written comments in opposition to this measure from the RAI Services Company and one concerned individual.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the use of tobacco products other than cigarettes is just as addictive and harmful as the use of cigarettes. Accordingly, taxes imposed on these tobacco products should be similar to the taxes imposed on cigarettes.

Your Committee has amended this measure by:

- (1) Changing the excise tax on tobacco products, other than large cigars, to an unspecified amount;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of style 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. 492, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 492, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8. Noes, 1 (Slom). Excused, 4 (English, Kidani, Thielen, Tokuda).

**SCRep. 779 Ways and Means on S.B. No. 1009**

The purpose and intent of this measure is to make permanent the law that established a limitation on liability for the acts or omissions of a county lifeguard working at a state beach park.

Specifically, the measure makes permanent the provision in Act 170, Session Laws of Hawaii 2002, that provides limited liability for civil damages resulting from any act or omission of a county lifeguard while performing lifeguard services on the beach or in the ocean in the scope of employment as a lifeguard.

Your Committee received written comments in support of this measure from the the Department of Land and Natural Resources, State Fire Council, the City and County of Honolulu, the County of Maui, the Maui Fire Department, the Hawaiian Lifeguard Association, and one concerned individual.

Your Committee finds that permanent enactment of Act 170 will enable the counties to continue providing lifeguard services at state parks without fear of potential liability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1009, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Tokuda).

**SCRep. 780 Ways and Means on S.B. No. 1092**

The purpose and intent of this measure is to appropriate funds to accelerate the recapitalization of the hurricane reserve trust fund.

Your Committee received written comments in support of this measure from the Department of Budget and Finance, the Department of Commerce and Consumer Affairs, and the Hawaii Hurricane Relief Fund.

Your Committee finds that over the last decade the hurricane reserve trust fund has declined from approximately \$220,000,000 to \$20,000,000. This has led, in part, to a downgrading of the State's credit rating. Recapitalizing the hurricane reserve trust fund will work toward strengthening the State's credit rating and improve the fund's ability to purchase hurricane reinsurance when the need arises.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1092, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 781 Ways and Means on S.B. No. 511**

The purpose and intent of this measure is to clarify the relationship between article 4A of the Uniform Commercial Code and the federal Electronic Fund Transfer Act.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that recent amendments to the federal Electronic Fund Transfer Act do not address the rights and responsibilities of parties to certain consumer international wire transfers known as remittance transfers. This measure will clarify the circumstances in which Article 4A of the Uniform Commercial Code and the Electronic Fund Transfer Act, respectively, will apply to remittance transfers.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 511 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 782 Ways and Means on S.B. No. 1168**

The purpose of this measure is to ensure the availability of public lands for outdoor recreational activities while protecting the State from unreasonable liability.

Specifically, this measure expressly provides public entities and public employees with immunity from liability for injury or damage sustained by persons on government land when engaged in mountain climbing, rock climbing, rappelling, or bouldering.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, The Access Fund, and numerous individuals.

Your Committee finds that there has been an increasing trend in public recreation throughout the United States and Hawaii to pursue mountain climbing, rock climbing, rappelling, bouldering, and related activities that require special skills, equipment, and specific geologic features. As the State has jurisdiction over millions of acres of land, staff limitations, and insufficient knowledge of all possible locations statewide that may be used for these activities, it would be extremely difficult for the State to regulate or manage the activities. Rather than attempting to impose and enforce prohibitions, this measure will provide government entities with immunity from liability while also allowing recreational users of public lands to continue pursuing these activities.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1168, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 783 Ways and Means on S.B. No. 1083**

The purpose and intent of this measure is to control school bus vendor costs by exempting contracts for transportation services for school children from wage certification requirements.

The Board of Education submitted written comments in support of this measure.

Your Committee finds that the wage certification requirement has made it difficult for bus vendors to make competitive bids to provide transportation services to the Department of Education. Removing this requirement will stimulate competitive bidding, which will help to reduce escalating transportation costs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1083 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 784 Ways and Means on S.B. No. 1040**

The purpose and intent of this measure is to facilitate the use of advanced grid modernization technology in Hawaii's electrical system.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; Hawaiian Electric Company; and one individual.

Your Committee finds that advanced grid modernization technology has the potential to improve the capacity of Hawaii's electric system to generate, transmit, and distribute power. Accordingly, your Committee believes that the Public Utilities Commission should consider the use of advanced grid modernization technology in the State as a means to improve the electrical system overall.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1040 and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 785 Ways and Means on S.B. No. 1235**

The purpose and intent of this measure is to promote the use of the Hawaiian language.

Specifically, the measure:

- (1) Requires the Director of Commerce and Consumer Affairs to work with various interested stakeholders and assess the best method to ensure dedicated funding for the development of a Hawaiian television channel; and
- (2) Appropriates funds for the production and distribution of Hawaiian language content on cable television.

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 two individuals. Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that the use of the Hawaiian language in the media will increase the prospects for the language's intergenerational continuity and maintenance.

Your Committee has amended this measure by:

- (1) Removing the requirement that funding to 'Oiwi TV should be made as a grant subject to chapter 42F, Hawaii Revised Statutes;
- (2) Making technical nonsubstantive amendments for the purposes of clarity and style; and
- (2) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1235, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1235, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 786      Ways and Means on S.B. No. 1084**

The purpose of this measure is to enable the State to provide a statewide early learning system for children.

Specifically, this measure proposes a constitutional amendment to authorize the appropriation of public funds for the support or benefit of private early childhood education programs, as provided by law.

Your Committee received written comments in support of this measure from the Office of the Governor, Board of Education, Department of Human Services, Department of Public Safety, University of Hawaii System, Special Education Advisory Council, Castle and Cooke Hawaii, Chaminade University of Honolulu, Hawaii P-20 Partnerships for Education, Hawaii Business Roundtable, IMUAlliance, Kamehameha Schools, and numerous concerned individuals.

Your Committee received written comments on this measure from Hawaii Pacific Health.

Your Committee finds that high-quality early learning programs have immediate and long-term benefits not only for the children participating in such programs, but also for their communities. The constitutional amendment proposed by this measure is intended to assist the State in meeting its goal of providing a statewide early learning system, specifically by allowing the State to contract with private preschools and other early learning programs to provide services as part of a statewide system.

Your Committee has amended this measure by:

- (1) Amending the constitutional amendment question to be printed on the ballot to more accurately reflect the language of the proposed constitutional amendment;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (3) Making technical nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1084, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1084, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 787      (Majority) Ways and Means on S.B. No. 1067**

The purpose and intent of this measure is to update the laws regulating escrow depositories.

More specifically, this measure:

- (1) Specifies the powers of the Commissioner of Financial Institutions to supervise, regulate, and examine escrow depositories;
- (2) Authorizes the Commissioner to issue permanent and temporary cease and desist orders;
- (3) Increases the amount of administrative fines;
- (4) Adds enhanced civil penalties for violations directed at elders;
- (5) Increases net capital requirements;
- (6) Requires licensees to notify the Commissioner of any change in the designated escrow officer or the branch manager;

- (7) Imposes a fee for the transfer and change in control of a license;
- (8) Increases the amount of the fidelity bond;
- (9) Increases the amount of coverage under an errors and omission insurance policy; and
- (10) Increases licensing and related fees.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs. Your Committee received written comments in opposition to this measure from the Hawaii Escrow Association.

Your Committee finds that this measure makes overdue changes to the law on escrow depositories. This measure will enable the Department of Commerce and Consumer Affairs to better regulate escrow depositories and protect consumers in light of the higher stakes posed by the larger and more sophisticated financial transactions handled by today's escrow depositories.

Your Committee has amended this measure by:

- (1) Clarifying that impending, as well as alleged violations, must be stated in the notice of charges for a cease and desist order;
- (2) Requiring the licensee to provide notice of a change in the designated escrow officer or branch manger within fifteen days after the escrow officer's or branch manager's termination, if unexpected circumstances prevent prior notice; 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. 1067, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1067, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 788 (Majority) Ways and Means on S.B. No. 1240**

The purpose and intent of this measure is to ensure pediatric dental coverage for all individuals under the age of nineteen years.

More specifically, this measure requires the Hawaii Health Connector to require all individuals under the age of nineteen to purchase essential health benefits, including pediatric health coverage.

Your Committee received written comments in support of this measure from the Hawaii State Council on Developmental Disabilities and Hawaii Medical Service Association.

Your Committee received written comments in opposition to this measure from Kaiser Permanente Hawaii.

Your Committee received written comments on this measure from the Department of Commerce and Consumer Affairs, State Insurance Commissioner.

Your Committee finds that providing access to dental care services for children is an important health issue for the State. Studies show that early detection of dental issues and preventative dental care are crucial in preventing long-term and costly health issues. Accordingly, your Committee believes that this measure will ensure that all children in the State have access to dental benefits insurance coverage.

Your Committee has amended this measure by:

- (1) Replacing the word "ensure" with the word "require";
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1240, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1240, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Kidani, Ruderman, Thielen). Noes, 1 (Slom). Excused, 3 (English, Keith-Agaran, Tokuda).

**SCRep. 789 Ways and Means on S.B. No. 1238**

The purpose and intent of this measure is to establish a maternal mortality review panel to review and prevent maternal deaths in the State.

Your Committee received written comments in support of this measure from the Hawaii Medical Association, American Congress of Obstetricians and Gynecologists, and four individuals.

Your Committee finds that the national maternal mortality rate is increasing; yet, Hawaii is one of only fourteen states without a maternal mortality review committee. Your Committee finds that establishing a maternal mortality review panel will help to decrease mortality and morbidity by identifying factors associated with women who die during or shortly after pregnancy and proposing system changes that will result in improved health for women in the State.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "pregnancy-related death";

- (2) Clarifying the terms of the initial members of the maternal mortality review panel;
- (3) Appropriating an unspecified amount to be expended by the Department of Health for costs relating to the maternal mortality review panel;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1238, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1238, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 790      Ways and Means on S.B. No. 598**

The purpose of this measure is to improve consumer protections in the check cashing industry.

Specifically, this measure:

- (1) Requires check cashers to provide specific additional information relating to deferred deposit transactions and federally approved financial education and credit counseling, posted in the place of business and included in written notices provided to each customer;
- (2) Limits for check cashers entering into a deferred deposit transaction:
  - (A) The cumulative fees that may be charged; and
  - (B) Recoverable damages for dishonored checks;
- (3) Establishes conditions for check cashers entering into a payment plan with a customer, including requirements that a check casher offer:
  - (A) An interest-free payment plan with a minimum term of sixty days for customers who are in default; and
  - (B) An extended repayment plan to any customer who has entered into four or more consecutive transactions with that check casher, if the customer timely exercises the option; and
- (4) Repeals the exemption from the check cashers law for persons principally engaged in the retail sale of goods or services and who occasionally cash checks for a fee that does not exceed certain thresholds.

Your Committee received written comments in opposition to this measure from Dollar Financial Group, Inc. and one individual.

Your Committee finds that in a deferred deposit transaction, a check casher, for a fee and pursuant to a written agreement, provides a cash advance secured by the customer's personal check. The check casher agrees to refrain from depositing the check until a subsequent date upon which funds become available for the deposit, which is usually the customer's next pay day. These high-interest, fee-driven loans appeal to vulnerable consumers in need of instant cash and who believe they have no access to traditional financial products or are unaware of more reasonable financing options for short-term credit. This measure provides protection for consumers by increasing consumer awareness and education, limiting check casher fees, expanding the availability of interest-free payment plans, and applying the check casher law to more businesses that engage in this practice.

Your Committee has amended this measure by:

- (1) Repealing the existing fee of \$20 or less that a check casher is authorized to charge for dishonored checks, in light of the amendments in this measure that limit recoverable damages to the principal owed, interest, and legal costs; 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. 598, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 598, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9; Ayes with Reservations (Slom). Noes, none. Excused, 4 (English, Kidani, Thielen, Tokuda).

**SCRep. 791      Ways and Means on S.B. No. 458**

The purpose of this measure is to modify the funding resources for public school facilities by repealing the state educational facilities improvement special fund on July 1, 2023.

In addition, this measure facilitates the repeal of the special fund by:

- (1) Immediately repealing the required deposit of a portion of general excise tax revenues into the special fund;
- (2) Limiting expenditures from the special fund to projects authorized by the Legislature for fiscal years ending prior to July 1, 2014; and
- (3) Providing that lease payments made from the special fund pursuant to financing agreements shall only be made for financing agreements entered into prior to July 1, 2013.

Your Committee received written comments in support of this measure from the Department of Budget and Finance.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii

Your Committee finds that the state educational facilities improvement special fund was established by Act 368, Session Laws of Hawaii 1989, and was designed to provide a consistent source of funding for public school facilities from general excise tax revenues and proceeds from the sale of general obligation bonds. Over the years, capital improvement projects for public school facilities have generally been funded by moneys in the special fund that are subsequently fully capitalized through the issuance of general obligation bonds. In light of this arrangement, this measure repeals the special fund to allow the Department of Education's capital improvement projects to be funded directly with general obligation bonds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 458, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 792 (Majority) Ways and Means on S.B. No. 899**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (6) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (6) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 899, 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, none.

**SCRep. 793 (Majority) Ways and Means on S.B. No. 898**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (4) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (4) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 898, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 794 (Majority) Ways and Means on S.B. No. 505**

The purpose and intent of this measure is to promote mediation as a means to resolve condominium related disputes.

More specifically, this measure:

- (1) Adds "support for mediation of condominium related disputes" as an educational purpose to be funded by the condominium education trust fund;
- (2) Establishes an additional annual condominium education trust fund fee of \$1 per condominium unit to be dedicated to supporting mediation of condominium related disputes;
- (3) Sets the condominium education trust fund fee at a total of \$3 per unit until the Real Estate Commission adopts rules; and
- (4) Requires the Real Estate Commission to make adjustments to the condominium education trust fund to ensure that adequate funds are available for mediation of condominium related disputes and that requests for mediation received prior to July 1, 2015, are fully accommodated.

Your Committee received written comments in support of this measure from the Community Association Institute.

Your Committee received written comments on this measure from the Hawaii Real Estate Commission.

Your Committee finds that mediation is an informal, inexpensive, and confidential process for resolving disputes quickly and would be particularly advantageous in a condominium setting because of the potential to preserve or restore harmony within a condominium community. This measure would provide financial support for mediation of condominium related disputes.

Your Committee has amended this measure by:

- (1) Clarifying that the condominium education trust fund fee that totals \$3 per unit is the additional condominium education trust fund fee;

- (2) Requiring, on June 30 of every odd-numbered year, any unexpended moneys initially dedicated to supporting mediation to be used for other educational purposes;
- (3) Requiring the Real Estate Commission to continue to budget and use funds allocated for other educational purposes, if necessary, for mediation of condominium disputes utilizing professionally trained mediators between the effective date of the Act and July 1, 2015;
- (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 and clarity.

Your Committee notes the discrepancy in the amounts of the additional condominium education trust fund fee and expresses its intent that the Real Estate Commission make no less than \$3 of the total annual condominium education trust fund fee it has established by rule, and assessed and collected per affected condominium unit, available for the purpose of supporting mediation of condominium related disputes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 505, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 505, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Kouchi).

**SCRep. 795      Ways and Means on S.B. No. 213**

The purpose and intent of this measure is to amend the membership of the State Building Code Council by increasing the number of construction and building trade representatives and reducing the number of government members.

This measure also appropriates funds to support the State Building Code Council's efforts to adopt a uniform set of statewide building codes and consistent standards.

Your Committee received written comments in support of this measure from the American Institute of Architects, Building Industry Association Hawaii, General Contractors Association of Hawaii, and the Masons Union Local 1 and 630. Your Committee received written comments in opposition to this measure from the Department of Defense, the State Fire Council, the Hawaii Fire Department, the Department of Planning and Permitting of the City and County of Honolulu, the Structural Engineers Association of Hawaii, and Architectural Diagnostics Ltd. The Department of Labor and Industrial Relations and the International Code Council submitted written comments on this measure.

Your Committee finds that, unlike many other states, the membership of Hawaii's Building Code Council does not include representatives from the construction industry and building trades. Amending the membership of the State Building Code Council to include these representatives will bring Hawaii in line with other states and provide the necessary balance of representation on the Council.

Your Committee has amended this measure by:

- (1) Changing the number of voting members that constitute a quorum from seven to nine;
- (2) Retaining Council membership of the member representing the Department of Labor and Industrial Relations who has significant experience in elevator or fire safety;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the 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. 213, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 213, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 796      Ways and Means on S.B. No. 1077**

The purpose and intent of this measure is to set forth specific responsibilities of owner-builders exempted from licensing and other requirements under chapter 444, Hawaii Revised Statutes.

This measure also limits the application of the owner-builder exemption to residential or farm property only and requires additional disclosures for owner-builders when they enter into agreements with licensed subcontractors.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Contractors License Board.

Your Committee finds that the owner-builder exemption authorizes owner-builders to perform their own improvements and construction without being required to obtain a contractor's license. However, owners often obtain owner-builder permits without having full knowledge of the risks and responsibilities that they assume. This measure clarifies the responsibilities that are required of owner-builders and improves the ability of the Regulated Industries Complaints Office to investigate possible violations of laws pertaining to owner-builders.

Your Committee has amended this measure by:



- (1) Clarifying that licensed subcontractors shall be hired to perform any part of the construction activity for which a license is required;
- (2) Inserting a savings clause;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1077, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1077, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 797      Ways and Means on S.B. No. 1161**

The purpose and intent of this measure is to require the costs associated with the impoundment and disposal of an unauthorized vessel to be borne by the owner of the vessel and to prohibit renewal or transfer of vessel registration under certain circumstances.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources.

Your Committee finds that under current law, the costs of mooring and impounding an unauthorized vessel are borne by the Department of Land and Natural Resources when the owner does not repossess the vessel prior to disposition. In addition, current law allows for the renewal or transfer of vessel registration even if, for example, the vessel owner has an outstanding balance owed to the Department of Land and Natural Resources or pending citations. This measure will place the financial burden of improper mooring and other delinquencies on the vessel owner.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1161, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 798      Ways and Means on S.B. No. 1112**

The purpose and intent of this measure is to facilitate the expeditious handling of the Hawaii Public Housing Authority's delinquent accounts.

Specifically, the measure authorizes the Hawaii Public Housing Authority to:

- (1) Delete, from its accounts receivable records, delinquent accounts for vacated units within state low-income public housing projects that have been delinquent at least ninety days; and
- (2) Assign the delinquent accounts to a collection agency.

Your Committee received written comments in support of this measure from the Department of Human Services.

Your Committee finds that this measure will allow the Hawaii Public Housing Authority to more quickly delete, from its accounts receivable records, uncollectible debts from the state low-income public housing program. Your Committee also finds that the provisions of this measure are similar to those that currently allow the Hawaii Public Housing Authority to delete uncollectible debts from the federal low-income public housing 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. 1112 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, 1 (Kouchi).

**SCRep. 799      (Majority) Ways and Means on S.B. No. 901**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (6) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the appropriations are necessary to cover the expected costs of implementing the collective bargaining agreement currently being negotiated between the State and collective bargaining unit (6) for fiscal biennium 2013-2015.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 901, 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, none.

**SCRep. 800      Ways and Means on S.B. No. 967**

The purpose and intent of this measure is to require the Board of Regents of the University of Hawaii to submit to the Legislature for approval salary range proposals equal to or in excess of two times the Governor's salary prior to the recruitment for those positions.

Your Committee received written comments in support of this measure from one individual. The University of Hawaii System submitted written comments.

Your Committee finds that the University of Hawaii's prudent fiscal management of public funds is a matter of statewide concern. More specifically, there is concern regarding the number of University employees whose salaries may be considered by some to be excessive. This measure addresses these concerns by requiring legislative approval for a salary range proposed by the Board of Regents that is equal to or in excess of twice that of the Governor.

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. 967, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 967, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Tokuda). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 801 (Majority) Ways and Means on S.B. No. 1071**

The purpose and intent of this measure is to modernize the banking laws.

More specifically, this measure, among other things:

- (1) Specifies the powers of the Commissioner of Financial Institutions;
- (2) Updates terminology;
- (3) Imposes assessments based upon total assets; and
- (4) Imposes various nonrefundable application fees.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Hawaii Financial Services Association.

Your Committee finds that the comprehensive modernization of the State's banking laws in this measure reflects changes in federal law that have occurred since the recodification of the State's banking laws in 1993.

Your Committee has amended this measure by:

- (1) Clarifying language relating to statutory references to certain financial institutions;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the matter; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1071, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1071, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 802 (Majority) Ways and Means on S.B. No. 463**

The purpose and intent of this measure is to facilitate the growth of the film and digital media industry in the State.

Specifically, the measure strengthens the film industry in Hawaii by:

- (1) Extending the motion picture, digital media, and film production income tax credit for an additional seven years from 2016 to 2023;
- (2) Increasing the amount of the tax credit from fifteen per cent to twenty per cent in a county with a population over 700,000, and from twenty per cent to twenty-five per cent for counties with a population of 700,000 or less;
- (3) Removing the cap on total tax credits that may be claimed for a qualified production;
- (4) Establishing a media infrastructure project tax credit; and
- (5) Creating a Hawaii film office special fund, with funds from application fees to be deposited into the fund and funds expended to manage media infrastructure project tax credits and related programs.

Your Committee received written comments in support of this measure from the Mayor of the County of Maui.

Your Committee received written comments in opposition to this measure from a concerned individual.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism, the Department of Taxation, and the Tax Foundation of Hawaii.

Your Committee finds that new media infrastructure development is necessary to increase the growth of Hawaii's film industry. This measure provides an incentive for developing media infrastructure projects. Your Committee believes that the Department of Business, Economic Development, and Tourism, rather than the Department of Taxation, is better suited for administering certain

components of the proposed media infrastructure project tax credit program. Your Committee further finds that requiring the Department of Taxation to report annually to the Legislature on the media infrastructure project tax credit would assist in determining the effectiveness of the program.

Your Committee has amended this measure by:

- (1) Changing the amounts of the motion picture, digital media, and film production income tax credit to unspecified amounts;
- (2) Moving the provision establishing the Hawaii film office special fund from section 235-17, Hawaii Revised Statutes, to the new statutory section establishing the media infrastructure project tax credit;
- (3) Providing that, with regard to the media infrastructure project tax credit, the Department of Business, Economic Development, and Tourism, rather than the Department of Taxation, shall be responsible for audit approval, expenditure certification, application processing, and issuance of final tax credit certification letters;
- (4) Clarifying how the media infrastructure project tax credit is to be computed and distributed in the case of partnerships, S corporations, estates, and trusts;
- (5) Clarifying the effect of the media infrastructure project tax credit on depreciable property;
- (6) Clarifying that the media infrastructure project tax credit shall apply to a taxpayer's net income tax liability after all other tax credits allowed under chapter 235, Hawaii Revised Statutes;
- (7) Clarifying that, with regard to the media infrastructure project tax credit, the terms "production" and "post production" shall have the same meaning as in section 235-17, Hawaii Revised Statutes;
- (8) Clarifying that general excise taxes paid on bank loan finance fees shall be considered as a qualifying expense for which the media infrastructure project tax credit may be claimed;
- (9) Changing the amounts of the media infrastructure project tax credit, performance bond, and recapture to unspecified amounts;
- (10) Requiring the Department of Taxation to submit an annual report to the Legislature on the media infrastructure project tax credit;
- (11) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (12) 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. 463, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 463, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 803      Ways and Means on S.B. No. 867**

The purpose and intent of this measure is to remove the specific monetary caps on what public employers must pay for retiree health benefits.

Specifically, this measure:

- (1) Repeals provisions relating to the base monthly contributions for health benefit plans paid by the State and counties for retired public employees;
- (2) Repeals the requirement that the base composite monthly contribution be adjusted annually and the method for calculating the contribution; and
- (3) Makes conforming amendments to corresponding sections of the law relating to the Hawaii Employer-Union Health Benefits Trust Fund to reflect the amendments under this measure.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association.

Your Committee received written comments in opposition to this measure from the Department of Budget and Finance.

Your Committee received written comments on this measure from the Department of the Attorney General.

Your Committee finds that monthly contribution limits to the Hawaii Employer-Union Health Benefits Trust Fund for retired employee beneficiaries helps to ensure sustainable health benefit plans and control the State's and counties' actuarially accrued liabilities for other post-employment benefits that are calculated under the assumption that contribution limits and caps would remain in effect.

Your Committee has amended this measure by:

- (1) Providing an unspecified base monthly contribution amount for supplemental Medicare and non-Medicare two-party plans;
- (2) Setting forth the required state and county base monthly contribution for other retiree health benefit plans as unspecified amounts beginning January 1, 2014; and
- (3) Making conforming amendments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 867, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 867, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 804 Ways and Means on S.B. No. 1010**

The purpose and intent of this measure is to permit deputy attorneys general to provide pro bono legal services, at the discretion of the Attorney General.

One individual submitted written comments in support of this measure.

Your Committee finds that rule 6.1 of the Hawaii Rules of Professional Conduct encourages all attorneys to provide at least fifty hours of pro bono services per year. This measure allows deputy attorneys general, other than the first deputy attorney general, to provide pro bono services as determined appropriate by the Attorney General, without fear of civil liability for their acts or omissions.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1010, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Espero, Kouchi).

**SCRep. 805 (Majority) Ways and Means on S.B. No. 69**

The purpose of this measure is to promote gun safety and enhance registration requirements for firearms brought into the State.

Specifically, this measure:

- (1) Requires county police departments, as a prerequisite for firearms registration, to fingerprint, photograph, and perform background checks on persons arriving in Hawaii with a firearm procured out-of-state;
- (2) Authorizes the police departments to assess a fee for conducting the fingerprint check; and
- (3) Appropriates funds for the county police departments to establish gun safety programs, including:
  - (A) Community education and training;
  - (B) Extensive mental health background checks for firearm registrations; and
  - (C) Gun buy-back programs.

Your Committee received written comments in support of this measure from the Department of the Attorney General, Honolulu Police Department, Kauai Police Department, Injury Prevention Advisory Committee, and three concerned individuals.

Your Committee received written comments in opposition to this measure from the Hawaii Rifle Association, National Rifle Association of America, Lessons in Firearms Education, Brian the Electrician LLC, Maui Plumbing Inc, Kauai Veteran's Council, Hawaii Defense Foundation, Abyssal Hawaii Marine Technical Services LLC, and one hundred sixty-one concerned individuals.

Your Committee received written comments on this measure from the Maui Police Department and a concerned individual.

Your Committee finds that this measure closes a loophole in Hawaii's firearms law which does not require a person who brings into Hawaii a firearm procured outside of the State to go through a background check. Persons registering a firearm obtained in or imported into Hawaii, on the other hand, must obtain a permit to acquire a firearm in Hawaii and undergo an extensive background check. Thus, the loophole allows individuals who might have been prohibited from obtaining a firearm in Hawaii to acquire a firearm out-of-state and subsequently register the firearm in Hawaii without a background check. To address this problem, this measure requires background checks of persons who seek to register firearms acquired out-of-state.

Your Committee has amended this measure by:

- (1) Deleting a portion of the purpose section;
- (2) Extending the time period for registering a firearm that a person brings into the State, from three days to five days after the arrival of the person or the firearm, whichever is later. This amendment makes the time period for registering firearms procured out-of-state consistent with the time period set forth in section 134-3(b), Hawaii Revised Statutes, for registering firearms obtained in or imported into the State;
- (3) Deleting the appropriation for the county police departments to establish gun safety programs;
- (4) Inserting an appropriation for the counties to implement this measure;
- (5) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (6) 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. 69, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 69, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 2 (Kidani, Slom). Excused, 1 (Keith-Agaran).

**SCRep. 806 Ways and Means on S.B. No. 666**

The purpose and intent of this measure is to establish the emergency services patient advocate program to assist and advocate on behalf of patients receiving emergency medical care.

Your Committee received written comments in support of this measure from Community Alliance for Mental Health and two individuals. Kaiser Permanente submitted written comments in opposition to this measure.

Your Committee finds that the experience of having to go to the emergency room either for oneself or because of a family member or friend is often very traumatic for people. Establishing an emergency services patient advocate program will assist individuals and families in making informed decisions about medical care.

Your Committee has amended this measure by:

- (1) Appropriating unspecified sums to the Department of Health for the 2013-2015 fiscal biennium to fund the emergency services patient advocate program; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 666, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Tokuda).

**SCRep. 807 (Majority) Ways and Means on S.B. No. 885**

The purpose and intent of this measure is to provide a dispute resolution mechanism to determine the employer share of contributions to the Hawaii Employer-Union Health Benefits Trust Fund.

Specifically, this measure:

- (1) Allows parties to arbitrate to resolve impasses or disputes relating to the State and counties' contributions to the Hawaii Employer-Union Health Benefits Trust Fund for their respective employees;
- (2) Repeals the procedures that parties are required to follow after an arbitration panel issues a decision and the understanding that members of collective bargaining units are prohibited from striking on the issue of State and county contributions to the Hawaii Employer-Union Health Benefits Trust Fund; and
- (3) Makes housekeeping amendments relating to the scope of negotiations.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association.

Written comments in opposition to this measure were submitted by the Department of Budget and Finance.

Your Committee received written comments on this measure from the Department of Human Resources of the City and County of Honolulu and University of Hawaii System.

Your Committee finds that current law does not provide a mechanism to resolve disputes relating to the employer share of contributions to the Hawaii Employer-Union Health Benefits Trust Fund. If the employer and exclusive representative cannot agree on the employer contribution amount, the pro rata share is determined by the Legislature while all other negotiable items may proceed to impasse. This measure allows disputes regarding employer contributions to be inclusively resolved under impasse procedures and subsequently by either interest arbitration or strike, depending on the collective bargaining unit involved in the impasse.

Your Committee has amended this measure by:

- (1) Deleting existing statutory language in sections 89-9(a) and 89-11(g), Hawaii Revised Statutes, to conform to the intent of 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. 885, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 885, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 2 (Espero, Kouchi).

**SCRep. 808 (Majority) Ways and Means on S.B. No. 668**

The purpose and intent of this measure is to mandate insurance coverage for treatments for autism spectrum disorders.

More specifically, this measure:

- (1) Requires each individual or group accident and health or sickness insurance policy; hospital or medical service plan policy, contract, or agreement; and health maintenance organization policy, contract, plan, or agreement issued or renewed in the State after December 31, 2013, to cover screening, diagnosis, and treatment for autism spectrum disorders for persons up to age twenty-six;

- (2) Limits required coverage for certain treatments to a maximum annual amount of \$50,000 and a maximum lifetime amount of \$300,000; and
- (3) Specifies that covered treatments for autism spectrum disorders include behavioral health treatment, applied behavior analysis, pharmacy care, psychiatric care, psychological care, and therapeutic care.

Your Committee received written comments in support of this measure from Autism Speaks, Hawaii Disability Rights Center, Hawaii Medical Association, Special Education Advisory Council, Council on Developmental Disabilities, and eleven concerned individuals.

Your Committee received written comments in opposition to this measure from the Department of Human Services and Kaiser Permanente Hawaii.

Your Committee received written comments on this measure from the Department of Budget and Finance, Department of Health, Department of Commerce and Consumer Affairs, Community Children's Council of Hawaii, and Hawaii Medical Service Association.

Your Committee finds that recent research indicates that the number of persons diagnosed with an autism spectrum disorder in the United States is growing. In Hawaii, autism spectrum disorders similarly affect a significant and growing number of young people. However, many treatments for these disorders are not covered by insurance, and as a result, many children go without certain treatments. Accordingly, your Committee believes that requiring health insurers in Hawaii to cover treatments for autism spectrum disorders, subject to certain age and benefit limits, will allow more families in Hawaii to access care for their children with autism spectrum disorders.

Your Committee has amended this measure by:

- (1) Clarifying that the \$50,000 annual cap and \$300,000 maximum lifetime benefit applies to behavioral health treatments, as opposed to all covered treatments;
- (2) Requiring the Insurance Commissioner to adjust the maximum required benefit annually after December 31, 2015;
- (3) Changing the commencement date of the exemption from including mandated autism spectrum disorder benefits for qualified health plans sold through the Hawaii Health Insurance Exchange from January 1, 2016, to January 1, 2014;
- (4) Clarifying that behavioral health treatments are provided or supervised by a Board-Certified Behavior Analyst or a licensed psychologist with appropriate training;
- (5) Requiring health insurers to include as many Board-Certified Behavior Analysts as licensed psychologists in their approved provider networks for applied behavior analysis;
- (6) Clarifying that the term "autism spectrum disorders" includes any of the pervasive developmental disorders or autism spectrum disorders as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders;
- (7) Clarifying that the individuals diagnosed with an autism spectrum disorder shall not be required to undergo a repeat evaluation upon the publication of subsequent editions of the Diagnostic and Statistical Manual of Mental Disorders to remain eligible for covered benefits;
- (8) Deleting social workers from among the persons who may prescribe or order treatments for autism spectrum disorders;
- (9) Changing the effective date of this measure from January 1, 2030, to July 1, 2050, to encourage further discussion on the measure; and
- (10) 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. 668, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 668, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Espero, Kouchi).

**SCRep. 809      Ways and Means on S.B. No. 1361**

The purpose and intent of this measure is to transfer in fee simple certain properties located near or adjacent to Banyan Drive from the Department of Land and Natural Resources to the County of Hawaii on January 1, 2014.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii.

Your Committee finds that the County of Hawaii would be an appropriate steward of the properties located near or adjacent to Banyan Drive in Hilo. However, your Committee believes that leasing, rather than transferring in fee simple, these properties to the County of Hawaii will ensure that the public lands are held, managed, and operated for the public's best interest.

Your Committee has amended this measure by:

- (1) Deleting the provisions transferring properties located near or adjacent to Banyan Drive to the County of Hawaii and instead requiring the Department of Land and Natural Resources to enter into negotiations with the County for the lease of these properties to the County;
- (2) Requiring that the lease rent charged to the County shall be \$1 per year;

- (3) Requiring that an unspecified percentage of gross revenues received by the County from use of the land shall be transmitted to the Director of Finance for deposit into the special land and development fund;
- (4) Requiring the Department of Land and Natural Resources to report to the Legislature if a lease agreement is reached and, if a lease agreement is not reached by January 1, 2014, to report on the action taken and progress made to reach a lease agreement; and
- (5) Changing the effective date to July 1, 2013, and providing for repeal of the measure on an unspecified date; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1361, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1361, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 4 (English, Kidani, Thielen, Tokuda).

**SCRep. 810 (Majority) Ways and Means on S.B. No. 908**

The purpose of this measure is to appropriate funds for collective bargaining cost items for the employees in collective bargaining unit (9) and their excluded counterparts.

The Department of Budget and Finance submitted comments on this measure.

Your Committee finds that the appropriations are necessary to cover the expected costs of a yet to be determined arbitrated award to implement a collective bargaining agreement between the State and collective bargaining unit (9) for fiscal biennium 2011-2013.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 908, 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, none.

**SCRep. 811 (Majority) Ways and Means on S.B. No. 904**

The purpose of this measure is to appropriate funds for Hawaii Employer-Union Health Benefits Trust Fund costs for the employees in collective bargaining unit (9) and their excluded counterparts.

The Department of Budget and Finance submitted comments on the measure.

Your Committee finds that the appropriations are necessary to cover the expected costs of a yet to be determined arbitrated award to implement a collective bargaining agreement between the State and collective bargaining unit (9) for fiscal biennium 2011-2013.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 904, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 812 Ways and Means on S.B. No. 91**

The purpose and intent of this measure is to reduce homelessness by providing working homeless families and individuals with a means to obtain permanent rental housing.

Specifically, this measure appropriates funds for:

- (1) Rent subsidies for homeless working individuals or families; and
- (2) A program specialist to monitor the state rent supplement program.

Your Committee received written comments in support of this measure from the Hawaii Appleseed Center for Law and Economic Justice, Partners in Care, Catholic Charities of Hawaii, and two individuals. The Department of Human Services submitted written comments on this measure.

Your Committee finds that many employed homeless people do not earn enough money to afford rental housing at market prices. The only housing alternative would appear to be public housing, but the waitlists for public housing are long. Providing a modest rent subsidy of up to \$300 a month would help hundreds of individuals and families to secure and maintain permanent housing.

Your Committee has amended this measure by:

- (1) Clarifying that the appropriation for the state rent supplement program is to also provide for the administrative costs to operate the program;
- (2) Changing the appropriation for the state rent supplement program to an unspecified amount; and
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 91, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 91, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 813 Ways and Means on S.B. No. 718**

The purpose and intent of this measure is to appropriate funds to the Hawaii Strategic Development Corporation to establish the HI Growth Initiative.

Your Committee received written comments in support of this measure from the Office of the Governor; the Department of Business, Economic Development and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation, Akamai Capital LLC; Bizgym.com; Blue Startups; Cardax Pharmaceuticals, Inc.; Creative Market Labs, Inc.; HiBEAM, Hawaii Biotech, Inc.; Hawaii Fashion Incubator; Hawaii Food Industry Association; Hawaii Venture Capital Association; Ikehū, Inc.; Kukulu LLC; Lady Ease-Ease Collection; Nalukai Foundation; Orientech LLC; Pacific International Center for High Technology Research; StartupHui LLC; The Queens Health Systems; Umicam; and thirteen individuals.

Your Committee received written comments on this measure from two individuals.

Your Committee finds that this measure funds the establishment and implementation of the HI Growth Initiative, an investment program that will be used to support entrepreneurial high-growth businesses. Your Committee also finds that the establishment and implementation of this program is in the State's interest to diversify the economy and create high-wage jobs in the State.

Your Committee has amended this measure by:

- (1) Changing the appropriation amounts to unspecified amounts;
- (2) Changing the effective date from July 1, 2013, to July 1, 2050, to facilitate further discussion on the measure; and
- (3) 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. 718, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 718, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 814 Ways and Means on S.B. No. 106**

The purpose and intent of this measure is to enhance services to elders.

Among other provisions, this measure:

- (1) Establishes and appropriates funds for an Alzheimer's disease and related dementia services coordinator position within the Executive Office on Aging; and
- (2) Appropriates funds for grants pursuant to chapter 42F, Hawaii Revised Statutes, to Catholic Charities of Hawaii for the Lanakila Multi-Purpose Senior Center, the Moliili Senior Center, and the Waikiki Community Center.

Your Committee received written comments in support of this measure from the Executive Office on Aging, the City and County of Honolulu Department of Community Services, AARP Hawaii, Transportation Clients of Catholic Social Services, Catholic Charities of Hawaii, Hawaii Alliance for Retired Americans, Lanakila Multi-Purpose Senior Center, the Policy Board for Elders, and seventy-one individuals.

Your Committee received written comments on this measure from the Moliili Community Senior Center.

Your Committee finds that the elder population in Hawaii is growing and that the maintenance and support for elder care facilities is necessary to ensure affordable and quality long-term care services to elders. Your Committee believes that this measure will allow more elders to remain at home as long as possible, thereby decreasing the long-term care costs for the State and for the elder population.

Your Committee has amended this measure by:

- (1) Changing all appropriation amounts to unspecified sums;
- (2) Changing the effective date of the Act from July 1, 2013, to July 1, 2050, to promote further discussion on the matter; and
- (3) 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. 106, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 106, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 815 Ways and Means on S.B. No. 391**

The purpose and intent of this measure is to establish a pilot program to coordinate a network that youth may access for safety and to obtain advice, guidance, programs, and services.

More specifically, this measure:



- (1) Requires the Office of Youth Services to coordinate a two-year safe places for youth pilot program; and
- (2) Appropriates \$250,000 for a safe place for youth program coordinator, residential options for the pilot program, and behavioral health counseling and education.

Your Committee received written comments in support of this measure from the Office of Youth Services, Hale Opio Kauai Inc., and Hawaii Youth Services Network.

Your Committee finds that ensuring the safety and welfare of the State's youth is of the utmost importance and that the safe places for youth pilot program will provide youth who are in need of shelter and support with safe shelters, counseling, and guidance programs and services.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified amount; and
- (2) Changing the effective date from July 1, 2013, to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 391, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 391, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 816 (Majority Ways and Means on S.B. No. 1087**

The purpose and intent of this measure is to promote the purchase and installation of green infrastructure equipment among electric utility customers through a loan program financed by the issuance of revenue bonds.

Specifically, this measure:

- (1) Establishes the Hawaii Green Infrastructure Authority within the Department of Business, Economic Development, and Tourism;
- (2) Authorizes the Authority to issue revenue bonds and use the proceeds from the bonds to provide the loans, provided that a financing order to do so is issued by the Public Utilities Commission;
- (3) Establishes green infrastructure property for which green infrastructure fees will be imposed upon electric utility customers in order to pay for the bonds;
- (4) Establishes a bond fund for the receipt of green infrastructure fees and green infrastructure charges and for the disbursement of bond payments; and
- (5) Establishes a special fund for the receipt of the bond proceeds and for disbursement of the loans.

Your Committee received written comments in support of this measure from the Office of the Governor, the Department of Budget and Finance, the Department of Business, Economic Development, and Tourism, the Public Utilities Commission, Hawaiian Electric Company, Blue Planet Foundation, and two individuals. Your Committee received written comments in opposition to this measure from the State Procurement Office.

Your Committee finds that this measure will provide a lower cost financing alternative for Hawaii businesses and residents to utilize green infrastructure equipment and technology to reduce electricity consumption by leveraging clean energy technology. The innovative financing method created in this measure will provide a secure financing structure to allow the Department of Business, Economic Development, and Tourism to issue revenue bonds at very competitive rates, which savings can be passed on to the consumers in the form of lower borrowing costs.

Your Committee has amended this measure by:

- (1) Adopting recommendations from the Department of Business, Economic Development, and Tourism, which, among other things:
  - (A) Reorganizes material between existing sections and new sections of chapters 196 and 269, Hawaii Revised Statutes;
  - (B) Reorganizes material between definitions and operational sections of the measure;
  - (C) Adds new language on the green infrastructure loan program order;
  - (D) Authorizes deposits of the green infrastructure charges into the green infrastructure special fund, as well as into the green infrastructure bond fund; and
  - (E) Corrects numerous drafting errors;
- (2) Changing the appropriations to unspecified amounts;
- (3) Changing the effective date to July 1, 2050, to facilitate continued discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1087, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 817 Ways and Means on S.B. No. 49**

The purpose and intent of this measure is to amend and repeal sections of chapter 302A, Hawaii Revised Statutes, relating to education, for purposes of housekeeping and efficiency.

The Department of Education submitted written comments in support of this measure. The Department of Budget and Finance submitted written comments in opposition to this measure.

Your Committee finds that this measure will add clarity to chapter 302A, Hawaii Revised Statutes, and resolve conflicting or inconsistent statutory language. Your Committee also finds that retaining the language in section 302A-605, Hawaii Revised Statutes, that requires the Department of Education to establish alternative routes for principal and vice-principal certification will allow the Department to continue to meet the qualification requirements for the federal Race to the Top competitive grant award.

Your Committee has amended this measure by:

- (1) Deleting the section of the bill that would have provided an exemption from the five per cent central service expense deduction for the Hawaii 3R's school repair and maintenance fund and the after-school plus program revolving fund;
- (2) Deleting the sections of the bill that repealed the reporting requirements in sections 36-32, 36-36, 302A-1004, and 302A-1312, Hawaii Revised Statutes, so that the Department of Education or the Superintendent of Education will continue to submit reports to various entities;
- (3) Deleting amendments to section 302A-603(b), Hawaii Revised Statutes, because the section is being repealed in its entirety in the measure;
- (4) Restoring language in section 302A-605, Hawaii Revised Statutes, that requires the Department of Education to establish alternative routes to certification for principals and vice-principals;
- (5) Deleting the section that would have repealed section 302A-1103, Hawaii Revised Statutes, which establishes the authority and responsibility of principals;
- (6) Making conforming amendments for repealed sections; and
- (7) 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. 49, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 49, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 818 Ways and Means on S.B. No. 757**

The purpose and intent of this measure is to help ensure the viability of the State's livestock industry.

Specifically, the measure:

- (1) Appropriates funds to continue the livestock revitalization program;
- (2) Adjusts the amount of the subsidy received under the program to the lesser of \$200,000 per year or fifteen per cent of food costs incurred per year for production of poultry products, milk, or pigs and beef cattle raised and slaughtered in Hawaii for local consumption;
- (3) Expands the livestock subsidy to include feed costs incurred by qualified producers of goat milk with a herd of not less than twenty-five lactating milking goats per fiscal quarter;
- (4) Expands the livestock subsidy to include feed costs incurred by qualified producers of sheep or lamb that are grown, slaughtered, processed, and marketed in the State with annual sales of not fewer than thirty sheep or lambs; provided that the herd shall not fall below thirty sheep per fiscal quarter;
- (5) Expands the livestock subsidy to include feed costs incurred by qualified producers of fish or crustaceans, farmed by aquacultural practices, with current annual sales of not less than two thousand pounds; provided that sales shall not fall below five hundred pounds per fiscal quarter;
- (6) Prohibits reimbursement of feed costs to qualified producers when the amount of reimbursement will result in an annual profit of more than eight per cent for sheep, lamb meat, or seafood producers; and
- (7) Requires funds for the program to be expended from the agricultural development and food security special fund.

Your Committee received written comments in support of this measure from the Hawaii Farm Bureau Federation.

Your Committee finds that the rising cost of feed for livestock production has been a contributing factor in the decline of the State's livestock industry. Your Committee also finds that increased feed costs are threatening the closure of the State's remaining livestock producers. Increasing livestock production is necessary to meet the State's goals of food security and self-sufficiency.

Your Committee has amended this measure by:

- (1) Changing the cap amount of the subsidy to an unspecified amount or unspecified percentage of food costs;
- (2) Changing the amount of annual profit for sheep, lamb meat, and seafood producers that triggers the prohibition on reimbursement for food costs to an unspecified percentage;
- (3) Changing the reference from "seafood" producers to "fish or crustacean" producers for consistency;
- (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 S.B. No. 757, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 757, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 819      Ways and Means on S.B. No. 1237**

The purpose and intent of this measure is to extend the operation of the Nursing Facility Sustainability Program.

Specifically, the measure amends Act 156, Session Laws of Hawaii 2012, relating to the Nursing Facility Sustainability Program, by:

- (1) Extending the repeal date of the Act to June 30, 2014;
- (2) Appropriating funds for the program for fiscal year 2013-2014; and
- (3) Making clarifying changes to the text of the Act.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Health Systems Corporation, Hale Makua Long-Term Care, Hawaii Long Term Care Association, Healthcare Association of Hawaii, Hale Makua Health Services, Pearl City Nursing Home, and one individual.

Your Committee finds that extending Act 156, Session Laws of Hawaii 2012, will enable the Department of Human Services to continue to make supplemental payments to nursing facilities to assist them with offsetting their costs of uncompensated care.

Your Committee has amended this measure by:

- (1) Making clarifying amendments by repealing an unnecessary definition in Act 156; 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. 1237, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1237, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 820      (Majority) Ways and Means on S.B. No. 937**

The purpose and intent of this measure is to promote food resiliency in the State.

More specifically, this measure:

- (1) Establishes a food resiliency initiative under the Department of Agriculture to achieve measurable goals of food self-sufficiency;
- (2) Establishes a food resiliency branch in the Department of Agriculture;
- (3) Establishes a food resiliency task force to set forth benchmarks for the food resiliency initiative to achieve; and
- (4) Provides funding for the food resiliency initiative.

Your Committee received written comments in support of this measure from the Ulupono Initiative. Your Committee received written comments in opposition to this measure from the Land Use Research Foundation of Hawaii. Your Committee received written comments on this measure from the Office of Planning and the Department of Human Resources Development.

Your Committee finds that food import replacement has positive economic impacts for the State, including the retention of money in the State, which will have a multiplier effect and thereby increase tax revenues and jobs.

Your Committee has amended this measure by:

- (1) Deleting partnership with the Hawaii clean energy initiative program and the development of farm-to-school program as activities of the Hawaii food resiliency initiative;
- (2) Adding increased procurement of local commodities by government agencies as an activity of the Hawaii food resiliency initiative;
- (3) Authorizing rather than requiring the Department of Agriculture to submit annual reports to the Legislature on the food resiliency initiative and specifying that the first report is due with the regular session of 2016;

- (4) Changing to 2015 the implementation date for the Department of Agriculture's plans to transition the State and counties to food resilient economies;
- (5) Deleting language that establishes a food resiliency branch in the Department of Agriculture;
- (6) Reducing the number of members on the Hawaii food resiliency task force by deleting:
  - (A) The food resiliency administrator of the food resiliency branch;
  - (B) The Director of Business, Economic Development, and Tourism;
  - (C) Two of the three members to be designated by the Speaker of the House of Representatives; and
  - (D) Two of the three members to be designated by the President of the Senate;
- (7) Designating the Chairperson of the Board of Agriculture or the Chairperson's designee to chair the task force;
- (8) Clarifying that the representative from each county's private economic development board shall be designated by the respective county;
- (9) Requiring the task force to submit their plan and follow-up report, respectively, to the Legislature prior to the regular sessions of 2015 and 2016;
- (10) Deleting language that authorizes moneys in the agricultural development and food security special fund to be used specifically to fund departmental positions related to the food resiliency initiatives;
- (11) Adding language that authorizes moneys in the agricultural development and food security special fund to be used to fund positions in the Department of Agriculture other than agricultural inspector positions;
- (12) Deleting the appropriations from agricultural development and food security special fund for the food resiliency administrator and staff positions;
- (13) Changing the effective date of the measure to July 1, 2050, to promote continued discussion of the measure; and
- (14) 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. 937, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 937, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Keith-Agaran).

**SCRep. 821 Ways and Means on S.B. No. 974**

The purpose and intent of this measure is to authorize the State, subject to ratification of a constitutional amendment, to issue special purpose revenue bonds to assist agricultural enterprises.

Your Committee received written comments in support of this measure from Alexander and Baldwin, Inc.; the Ulupono Initiative; the Land Use Research Foundation of Hawaii; the Hawaii Farm Bureau Federation; and one individual. The State Procurement Office submitted written comments in opposition to this measure. The Department of Budget and Finance submitted written comments on this measure.

Your Committee finds that special purpose revenue bonds provide the private sector with access to lower interest rate loans than are available in the private financial market. Special purpose revenue bonds for agricultural enterprises will provide important financial support for Hawaii's agricultural operations, including construction and improvements to irrigation systems, roads, utilities, and processing facilities.

Your Committee has amended this measure by:

- (1) Adding a definition for "agricultural enterprise";
- (2) Amending the definition of "project" to include machinery, equipment, furnishings, and apparatus of an agricultural enterprise;
- (3) Adding language to ensure that the interest on special purpose revenue bonds may be eligible for inclusion as gross income for tax credit and tax deferral programs;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (5) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 974, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 974, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 822 Ways and Means on S.B. No. 750**

The purpose and intent of this measure is to establish an income tax credit for the development of qualified media infrastructure projects in designated or qualifying geographic areas of the State.

Specifically, the measure targets West Oahu or an island in a county with a population between one hundred thousand and one hundred seventy-five thousand as potential sites where the construction of a media infrastructure project would qualify for the tax credit established in this measure.

Your Committee received written comments in support of this measure from the Mayor of the County of Maui and SHM Partners/Film Studio Group.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committee finds that new infrastructure development is necessary for increasing the growth of Hawaii's film industry. Your Committee also finds that this measure provides an incentive for developing media infrastructure projects. However, your Committee believes that the Department of Business, Economic Development, and Tourism is better suited to administering certain components of the proposed tax credit program than the Department of Taxation. Your Committee further finds that requiring the Department of Taxation to report annually to the Legislature on the qualified media infrastructure tax credit would assist in evaluating the effectiveness of the program.

Your Committee has amended this measure by:

- (1) Providing that audit approval, expenditure certification, application processing, and issuance of final tax credit certification letters shall be conducted by the Department of Business, Economic Development, and Tourism, rather than the Department of Taxation;
- (2) Clarifying how the tax credit is to be computed and distributed in the case of flow-through entities;
- (3) Clarifying the effect of the tax credit on depreciable property;
- (4) Clarifying that the tax credit shall apply to a taxpayer's net income tax liability after all other tax credits allowed under chapter 235, Hawaii Revised Statutes;
- (5) Clarifying that the terms "production" and "post-production" shall have the same meaning as in section 235-17, Hawaii Revised Statutes;
- (6) Clarifying that general excise taxes paid on bank loan finance fees shall be considered as a qualifying expense for which the tax credit may be claimed;
- (7) Changing the amounts of the tax credit, performance bond, and recapture to unspecified amounts;
- (8) Requiring the Department of Taxation to submit an annual report to the Legislature;
- (9) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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. 750, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 750, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 823 Ways and Means on S.B. No. 382**

The purpose of this measure is to provide resources for the improvement of private roads accessed by the general public.

Specifically, this measure authorizes the County of Hawaii to use fuel tax revenues for the maintenance of substandard private subdivision roads that are used by the public.

The Department of Public Works, County of Kauai, submitted written comments in support of this measure, if amended.

Written comments in opposition to this measure were submitted by a concerned individual.

Your Committee finds that while private subdivision roads are not under government jurisdiction, they can nonetheless be heavily used by residents, visitors, and emergency vehicles in certain areas of the County of Hawaii. Although these roads are accessed by the general public, they are maintained by private citizens or not maintained at all, presenting serious safety concerns. This measure provides the County of Hawaii the flexibility to use fuel tax revenues to improve private subdivision road conditions for all users.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion on this measure; and
- (2) Making technical nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 382, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Kidani, Kouchi, Slom). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 824      Ways and Means on S.B. No. 456**

The purpose and intent of this measure is to transfer in fee simple the Mauna Kea State Recreational Area from the Department of Land and Natural Resources to the County of Hawaii on January 1, 2014.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii.

Your Committee finds that the County of Hawaii would be an appropriate steward of the Mauna Kea State Recreational Area. However, your Committee believes that leasing, rather than transferring in fee simple, the Mauna Kea State Recreational Area to the County of Hawaii will ensure that the public lands are held, managed, and operated for the public's best interest.

Your Committee has amended this measure by:

- (1) Deleting the provisions transferring the Mauna Kea State Recreational Area to the County of Hawaii and instead requiring the Department of Land and Natural Resources to enter into negotiations with the County for the lease of the Mauna Kea State Recreational Area to the County;
- (2) Requiring that the lease rent charged to the County shall be \$1 per year;
- (3) Requiring that an unspecified percentage of gross revenues received by the County from use of the land shall be transmitted to the Director of Finance for deposit into the state parks special fund;
- (4) Requiring the Department of Land and Natural Resources to report to the Legislature if a lease agreement is reached and, if a lease agreement is not reached by January 1, 2014, to report on the action taken and progress made to reach a lease agreement; and
- (5) Changing the effective date to July 1, 2013, and providing for repeal of the measure on an unspecified date; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 456, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 456, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (English, Kidani, Thielen, Tokuda).

**SCRep. 825      Ways and Means on S.B. No. 457**

The purpose and intent of this measure is to transfer in fee simple Hapuna Beach Park from the Department of Land and Natural Resources to the County of Hawaii on January 1, 2014.

Your Committee received written comments in support of this measure from the Mayor of the County of Hawaii, the Waimea Community Association, and six individuals. The Department of the Attorney General and one individual submitted written comments.

Your Committee finds that the County of Hawaii would be an appropriate steward of Hapuna Beach Park. However, your Committee believes that leasing, rather than transferring in fee simple, Hapuna Beach Park to the County of Hawaii will ensure that the public lands are held, managed, and operated for the public's best interest.

Your Committee has amended this measure by:

- (1) Deleting the provisions transferring Hapuna Beach Park to the County of Hawaii and instead requiring the Department of Land and Natural Resources to enter into negotiations with the County for the lease of Hapuna Beach Park to the County;
- (2) Requiring that the lease rent charged to the County shall be \$1 per year;
- (3) Requiring that an unspecified percentage of gross revenues received by the County from use of the land shall be transmitted to the Director of Finance for deposit into the state parks special fund;
- (4) Requiring the Department of Land and Natural Resources to report to the Legislature if a lease agreement is reached and, if a lease agreement is not reached by January 1, 2014, to report on the action taken and progress made to reach a lease agreement; and
- (5) Changing the effective date to July 1, 2013, and providing for repeal of the measure on an unspecified date; and
- (6) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 457, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 457, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (English, Kidani, Thielen, Tokuda).

**SCRep. 826      Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 573 and 574**

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 573 CHELSEA FERNANDEZ, for a term to expire 6-30-2016; and

G.M. No. 574 WILLIAM PARK, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Chelsea Fernandez and William Park to possess the requisite qualifications to be nominated to the Advisory Board on Veterans' Services.

CHELSEA FERNANDEZ

Your Committee received testimony in support of the nomination of Chelsea Fernandez from the State Office of Veteran's Services, Hawai'i Women's Military Veterans Task Force, and ten individuals. Your Committee received testimony in opposition to the nomination of Chelsea Fernandez from the Maui County Veterans Council.

Your Committee finds that Ms. Fernandez is currently pursuing a Business Administration degree at the University of Hawai'i West Oahu. Ms. Fernandez received her Associate's degree in Business Careers from the University of Hawai'i Maui College.

Ms. Fernandez is a certified tax preparer and is currently employed as the office manager and bookkeeper at FernanTECH, Inc. She previously worked as the district leader for Primerica Financial Services. Ms. Fernandez has also worked as a collections agent for Penncro Associates, Inc.

During Ms. Fernandez's military career, she served as a convoy driver and engineer with the United States Army Reserve, 411th ECB(H) Deployment. Ms. Fernandez performed successfully as the lead vehicle driver for convoys in and around Baghdad, Iraq. She posted guard for missions, helped protect other troops, and met with local Iraqi citizens to help them improve their living conditions.

Ms. Fernandez currently serves as a board member of the Iao Intermediate School Community Council and is a member of Hawai'i Business and Professional Women. In the past, Ms. Fernandez was a member of the Maui Lions Club and Maui Young Business Roundtable. Additionally, Ms. Fernandez served as secretary to the Army Family Readiness Group of the United States Army Reserve Unit: 871st Engineer Company.

Ms. Fernandez expressed to your Committee that she wishes to serve on the Advisory Board on Veterans' Services because she brings the experiences of being a combat veteran and a veteran spouse. As a young woman, Ms. Fernandez hopes to represent the new generation of veterans, while also addressing unique issues facing female veterans with the recent changes to women's roles in the military. She believes that young veterans and female veterans will be comfortable sharing their concerns with her.

Ms. Fernandez expressed that she will make strong connections with veterans in order to help them make a smooth transition into civilian life.

WILLIAM PARK

Your Committee received testimony in support of the nomination of William Park from the State Office of Veteran's Services, Papa Ola Lokahi, and twenty-three individuals.

Your Committee finds that Mr. Park received his degree from the Combat Medic School and Dental Laboratory Technician School of the United States Army Medical Center at Fort Sam Houston in San Antonio, Texas. Mr. Park received his Certificate of Completion from the Dental Technician Apprenticeship Program at Kapiolani Community College.

Mr. Park is currently the Veterans Program Director of Papa Ola Lokahi, where he helps veterans navigate the Veterans Health Administration and Veterans Benefits Administration application processes to ensure that veterans from past and current wars receive important services and benefits. Mr. Park is involved with the "Uncles and Aunties" program, which provides encouragement and emotional support to veterans and their family members on every Hawai'i island. Mr. Park previously worked as a Veterans Specialist and Case Manager of the Intensive Case Management Team at Helping Hands Hawai'i.

Mr. Park is a disabled veteran and retired Master Sergeant with three years of active duty with the United States Army. He served with the Hawai'i Army National Guard for over twenty years in several capacities. On June 20, 2007, Senator Daniel Akaka and the 110th Congress recognized Mr. Park with a "Tribute to Clay Park." Mr. Park received numerous awards and accolades during his distinguished career with the military, including the Meritorious Service Medal, Army Commendation Medal, three Army Reserve Component Achievement Medals, Army Service Ribbon, two National Defense Medals, and two Non-Commissioned Officer Professional Development Ribbons.

Mr. Park has received special recognition from the Federal Emergency Management Authority, Office of Hawaiian Affairs, Department of Veterans Affairs, Honolulu Veterans Affairs Medical and Regional Office, and Veterans Administration of Honolulu.

Mr. Park has also been active in several community programs, including Alu Like's special project, Ho'oponopono (Hawai'i Family Therapy) for Hawai'i Veterans; the Office of Hawaiian Affairs' training project for the Department of Veterans Affairs, Ho'olauna (Introduction to Hawaiian Culture), and multiple projects related to traditional healing.

For the past six months, Mr. Park has served as an interim appointee to the Advisory Board on Veterans' Services, where he has worked toward improving several challenges facing veterans, such as access to benefits, health care, and cemetery systems.

Mr. Park stressed to your Committee the importance that no veteran need be left behind and he intends to work hard to ensure that all those who have served honorably in the Armed Forces receive full recognition of their veteran status with all honors and benefits. Mr. Park believes in the importance of addressing health and wellness issues not only of veterans, but also of veterans' families.

Your Committee believes that Mr. Park will continue to bring valuable experience, knowledge, and leadership to the Advisory Board on Veterans' Services.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 827 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 580, 581, and 651**

Recommending that the Senate advise and consent to the nominations of the following:

CIVIL DEFENSE ADVISORY COUNCIL

- G.M. No. 580 DOMINADOR COLOMA, for a term to expire 6-30-2014;  
G.M. No. 581 JAN TENBRUGGENCATE, for a term to expire 6-30-2016; and  
G.M. No. 651 WILLIAM ANONSEN, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Dominador Coloma, Jan TenBruggencate, and William Anonsen to possess the requisite qualifications to be nominated to the Civil Defense Advisory Council.

DOMINADOR COLOMA

Your Committee received testimony in support of the nomination of Dominador Coloma from State Civil Defense, Department of Defense and two individuals.

Mr. Coloma received his Associate of Arts degree in Fire Science from Hawaii Community College. He received his certification as an Emergency Medical Technician from The Queen's Medical Hospital. Additionally, Mr. Coloma studied Fire Administration at the National Fire Academy, Helicopter Mechanics at the Army Aviation Academy, and Diesel Mechanics at the Hawaii Technical School.

Mr. Coloma served in the Hawaii County Fire Department for twenty-five years and retired as a Deputy Fire Chief. Before becoming a Deputy Fire Chief, Mr. Coloma served as Fire Captain, Volunteer Trainer/Coordinator, Fire Lieutenant, and Firefighter.

As Deputy Fire Chief of the Hawaii County Fire Department, Mr. Coloma directed the daily operations of the Department and successfully implemented the Incident Command System in the Department. Moreover, Mr. Coloma has valuable experience as a first responder.

Mr. Coloma previously worked as an instructor for the Fire Science Program of the University of Hawaii at Hilo and the State Airports Division. Additionally, Mr. Coloma worked as a Helicopter Mechanic for the Aviation branch of the United States Army and as a Diesel Mechanic for Theo. H. Davies & Co.

Mr. Coloma is the President of the Akaka Falls Lions Club. He is a member of the Firemen's Association, Hawaii Fire Chief's Association, and National Fire Academy Alumni Association.

Mr. Coloma expressed to your Committee that he has the courage, composure, and commitment to serve on the Civil Defense Advisory Council and move its agenda forward.

JAN TENBRUGGENCATE

Your Committee received testimony in support of the nomination of Jan TenBruggencate from State Civil Defense, Department of Defense and three individuals.

Mr. TenBruggencate received his Bachelor of Arts degree in English and Journalism from the University of Hawaii at Manoa.

Mr. TenBruggencate formed a communications consulting firm, Island Strategy LLC, where he currently works. Mr. TenBruggencate also served as the Kauai Bureau Chief and science writer for The Honolulu Advertiser for thirty-seven years.

Mr. TenBruggencate has received numerous awards and accolades, including the Historic Hawaii Foundation Preservation Media Award; two Excellence in Journalism Awards, Society of Professional Journalists Hawai'i Chapter; Hawaii Publishing Association Pa'i Award; The Nature Conservancy of Hawaii's Kakoo 'Aina Award; Conservation Council for Hawaii Koa Award; and Hawaii Audubon Society Environmental Education Award.

Mr. TenBruggencate is a member of the Kauai Island Utility Cooperative, Kauai County Charter Review Commission, Lihue Business Association, and Public Relations Society of America.

With over forty years of experience as a newspaper reporter, Mr. TenBruggencate has participated in numerous civil defense briefings and interviews. He worked closely with civil defense authorities during catastrophic events, including the volcanic destruction of Kalapana on Hawai'i and Hurricanes Iwa and Iniki on Kauai.

Mr. TenBruggencate participated in several training courses with the Federal Emergency Management Agency as part of his volunteer work with the Kauai Civil Defense Agency. Furthermore, Mr. TenBruggencate serves as Vice Chair on the Board of Directors of the Kauai Island Utility Cooperative, which is directly involved with community emergency response to climate events.

Mr. TenBruggencate expressed to your Committee that he is familiar with the issues presented by the range of threats facing our island communities, including threats related to weather, climate, international tensions, and food and fuel supply disruptions.



Your Committee believes that Mr. TenBruggencate will bring integrity and a seasoned perspective to the Civil Defense Advisory Council and ensure that our communities are well protected.

WILLIAM ANONSEN

Your Committee received testimony in support of the nomination of William Anonsen from State Civil Defense, Department of Defense; Department of Transportation; Department of Transportation Services, City and County of Honolulu; Hawai'i Pilots Association; Hawai'i Resource, LLC; P&R Water Taxi, LLC; Hawai'i Harbor Users Group; Young Brothers, Ltd.; Navatek; and twenty-four individuals.

Mr. Anonsen attended the American Military University and Maritime College of the State University of New York.

Mr. Anonsen is currently the Managing Partner and Principal of The Maritime Group, LLC, a maritime consultancy firm, and serves as the Vice Chair to the Maritime Committee of the Chamber of Commerce of Hawaii. He works with several emergency response, law enforcement, and non-profit organizations.

Prior to his work with The Maritime Group, LLC, Mr. Anonsen served as the Director of Port Operations for Norwegian Cruise Lines. His previous employment also includes serving as the Maritime Operations Specialist for the Department of Transportation; Vice President of American Classic Voyages Co.; Marine Operations Traffic Manager of Sause Brothers Ocean Towing, Inc.; Marine Operations Assistant of Matson Navigation Company; and Operations Assistant Manager of Theo Davies Marine Agencies, Inc.

With thirty-eight years of business experience and an extensive working knowledge of all facets of the maritime transportation industry and emergency preparedness, Mr. Anonsen understands Hawaii's critical infrastructure and resources.

As the current chair of the Civil Defense Advisory Council with a term set to expire on June 30, 2017, Mr. Anonsen has helped to ensure that processes and systems are in place to protect lives, as well as Hawaii's finite resources. Mr. Anonsen expressed to your Committee that if he is reconfirmed to the Civil Defense Advisory Council, he will continue his collaborative efforts to maintain Hawaii's emergency preparedness and bring new thinking and approaches to emergency management.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 828 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 583 and 584**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII PAROLING AUTHORITY

G.M. No. 583 ANNELLE AMARAL, for a term to expire 6-30-2015; and

G.M. No. 584 FITUINA TUA, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements by the nominees and finds Annelie Amaral and Fituina Tua to possess the requisite qualifications to be nominated to the Hawaii Paroling Authority.

ANNELLE AMARAL

Your Committee received testimony in support of the nomination of Annelie Amaral from the Department of Public Safety; Hawaii Paroling Authority; Office of Hawaiian Affairs; Military Affairs Department, Chamber of Commerce of Hawaii; Indigenous Consultants, LLC; Association of Hawaiian Civic Clubs; Kuakini Hawaiian Civic Club of Kona; Maunaloa Hawaiian Civic Club; Kalaeloa Heritage and Legacy Foundation; and eight individuals.

Ms. Amaral received a Bachelor of Arts degree in Journalism from the University of Dayton.

Ms. Amaral currently works as the Native Hawaiian Liaison to the Garrison Commander of the United States Army and is currently a member of the Hawaii State Judicial Selection Commission; Association of Hawaiian Civic Clubs, Oahu Council; and Council for Native Hawaiian Advancement.

Prior to serving in her current position as an Army liaison, Ms. Amaral was the Director of Public Affairs for Planned Parenthood of Hawaii. Ms. Amaral also worked as the Domestic Violence Special Projects Coordinator for the Legal Aid Society of Hawaii, Coordinator for the Coalition Against Sexual Assault, Private Investigator for Corniel & Associates, and consultant to several community and nonprofit organizations.

As a legislator for the State House of Representatives from 1988 to 1996, Ms. Amaral served as the Majority Floor Leader, Vice Chair of the Judiciary Committee, Vice Chair of the Housing Committee, and Chair of the Women's Legislative Caucus.

Ms. Amaral has received numerous awards and accolades, including Women's History Month Honoree, U.S. Army Installation Management Command Public Affairs Award, Patsy T. Mink Award of Excellence, Mayor's Award for Everyday Hero, Hawaii Women Lawyers' Community Service Award, Native Hawaiian Business Association's Lei Hulu Mamo Lifetime Achievement Award, and Association of Hawaiian Civic Club's Outstanding Hawaiian Community Leader.

Ms. Amaral expressed that she gained valuable experience early on in her career as one of the first women who were able to serve as police officers in the Honolulu Police Department. As a beat cop, she handled all types of criminal investigations and when she

transferred to the Community Relations Division of the Honolulu Police Department, she developed the Rape Prevention Program and spoke to over 30,000 people about rape prevention and self-defense.

Considering Ms. Amaral's extensive professional experience, beginning with the Honolulu Police Department and through her work with the Legislature and the armed forces, your Committee finds that she will bring a wealth of experience to the Hawaii Paroling Authority.

#### FITUINA TUA

Your Committee received testimony in support of the nomination for Fituina Tua from the Department of Public Safety, Hawaii Paroling Authority, United Public Workers, Iron Workers Stabilization Fund, and twenty-one individuals.

Mr. Tua received a Master of Science degree from the John W. McCormack Institute of Public Policy/Affairs (currently known as the John W. McCormack Graduate School of Policy and Global Studies) at the University of Massachusetts. Mr. Tua received a Bachelor of Science degree in Administration of Justice (Law Enforcement) with a minor degree in Business from San Jose State University.

Mr. Tua currently serves as a Special Offender Specialist at the United States District Court, District of Hawaii, where he supervises high risk offenders in the community. In this position, Mr. Tua provides case management, supervision, investigation, and risk assessments. He also files reports with federal District Court judges concerning the adjustment of offenders on supervision, sentencing recommendations, and revocation actions.

Prior to his current federal law enforcement position, Mr. Tua served as the Chief Court Officer and Juvenile Probation Officer at the Quincy District Court and Family Court, respectively, in Boston, Massachusetts. Mr. Tua also worked as a Business Agent for the United Public Workers Union.

Mr. Tua expressed to your Committee that he wishes to use his thirty years of professional experience in the criminal justice system to serve the people of Hawaii. Mr. Tua believes in proper intervention and sentencing to minimize the number of individuals incarcerated while maximizing community safety.

Your Committee finds that Mr. Tua's integrity, passion, and strong work experience will ensure his continued success working toward improving the lives of individuals in the criminal justice system.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

#### **SCRep. 829 (Joint) Tourism and Hawaiian Affairs and Water and Land on Gov. Msg. Nos. 659, 660, 661, 662, 663, 664, 665, and 666**

Recommending that the Senate advise and consent to the nominations of the following:

#### AHA MOKU ADVISORY COMMITTEE

G.M. No. 659 FRANCES KALUHIWA, for a term to expire 6-30-2016;

G.M. No. 660 PIILANI KAAWALOA, for a term to expire 6-30-2016;

G.M. No. 661 KEITH ROBINSON, for a term to expire 6-30-2016;

G.M. No. 662 KYLE NAKANELUA, for a term to expire 6-30-2016;

G.M. No. 663 WINIFRED BASQUES, for a term to expire 6-30-2016;

G.M. No. 664 LESLIE KULOLOIO, for a term to expire 6-30-2016;

G.M. No. 665 KAREN POEPOE, for a term to expire 6-30-2016; and

G.M. No. 666 THOMAS HASHIMOTO, for a term to expire 6-30-2016

Your Committees have reviewed the personal histories, resumes, and statements submitted by the nominees and find Frances Kaluhiwa, Pi'ilani Ka'awaloa, Keith Robinson, Kyle Nakanelua, Winifred Basques, Leslie Kuloloio, Karen Poepoe, and Thomas Hashimoto to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the 'Aha Moku Advisory Committee.

The 'Aha Moku Advisory Committee was established pursuant to Act 288, Session Laws of Hawaii 2012, to serve in an advisory capacity to the Chairperson of the Board of Land and Natural Resources on issues related to land and natural resources management through the 'Aha Moku System, a system of best practices that is based upon the indigenous resource management practices of moku (regional) boundaries, which acknowledges the natural contours of land, the specific resources located within those areas, and the methodology necessary to sustain natural resources and the community.

#### FRANCES KALUHIWA

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Nature Conservancy, Oahu Council of the Association of Hawaiian Civic Clubs, Kako'o Oiwi, Ko'olaupoko Hawaiian Civic Club, Ko'olau

Foundation, Maemae Jones Ohana, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and six individuals.

Among other activities, Ms. Kaluhiwa is an active member of the Ko'olaupoko Hawaiian Civic Club Board, Kako'o Oiwi Board, Ko'olau Foundation Board, and Kahalu'u Neighborhood Board. As a strong advocate for the preservation of native Hawaiian culture, community members have identified Ms. Kaluhiwa as a steward and guardian for the cultural and marine resources of Kane'ohē Bay. Through all her activities, she works passionately to integrate Hawaiian cultural practices and customs into laws and regulations governing Hawaii's natural and cultural resources.

#### PI'ILANI KA'AWALOA

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and six individuals.

Ms. Ka'awaloa practices and teaches traditional Hawaiian methods of fishing and farming. She currently serves as a community cultural liaison for the National Oceanic and Atmospheric Administration regarding marine life and cultural Hawaiian practices. Among other activities, she is President of the Kalapana Community Organization and a member of the Kalapana Fishing Council. As a member of the 'Aha Moku Advisory Committee, Ms. Ka'awaloa seeks to engage and enable localities to become proactive stakeholders and beneficiaries in the care and management of their own community resources through traditional Hawaiian resource management practices.

#### KEITH ROBINSON

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and two individuals.

Mr. Robinson is a veteran, an Environmental Officer at Ni'ihau Ranch, and owner of Kauai Wildlife (Hawaiian endangered species) Reserve where he grows Hawaiian endangered plants and trees. Mr. Robinson produces tens of thousands of seeds from these endangered species, which he distributes without charge to such organizations as the Department of Land and Natural Resources and the Lyon Arboretum. He earned a degree in agronomy and has experience working as a commercial fisherman, a foreman at Ko'olau Ranch, and as a Hawaiian Endangered species wildlife photographer, where he fostered a passion and appreciation for natural and cultural resource preservation.

#### KYLE NAKANELUA

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and three individuals.

Mr. Nakanelua has been working as a cultural consultant for the State of Hawaii since 1996. He also works as a consultant for private contractors, training company employees about Native Hawaiian traditions, customs, and protocols. Among other activities, he has served as the Operations Officer of the Royal Order of Kamehameha. He is on the Pu'ukohola Heiau National Historic Site Advisory Committee and the Pihanakalani/Hale Ki'i Heiau Restoration Committee. He is known in his community as a leader in providing young Hawaiian men with the means to reconnect with their culture and the skills to become valued members of their families and community.

#### WINIFRED BASQUES

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and two individuals.

Ms. Basques worked at the Lanai Community Hospital for twenty-two years. She is a member of Hui Kako'o 'Aina Ho'opulapula, Hui Malama Pono O Lana'i, and the Lana'i Hawaiian Civic Club. She served on the 'Aha Kiole Advisory Committee and is well-known in the community as a strong advocate for the residents of Lana'i.

#### LESLIE KULOLOIO

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and three individuals.

Mr. Kuloloio is a veteran and an active member of the Maui community. His unique breadth of knowledge has served to educate countless boards, commissions, students, and residents on the importance of land to the Native Hawaiian culture and community. He is a cultural consultant to the Maui Lani Development Company and was a Honokahua burials Ritz Carlton Hotel cultural community representative.

#### KAREN POEPOE

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Nature Conservancy, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, and two individuals.

Ms. Poepee has played a significant role in the formation and organization of the 'Aha Kiole o Moloka'i. On this committee, she advised the Nature Conservancy on the forest conservation and invasive species management programs on Moloka'i. Ms. Poepee is highly regarded in her community and a knowledgeable advisor on Native Hawaiian cultural protocols.

#### THOMAS HASHIMOTO

Your Committees received testimony in support of this nominee from the Department of Land and Natural Resources, Maunalua Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Indigenous Consultants, Limahuli Garden and Preserve, and two individuals.

Mr. Hashimoto is from Hanalei and has worked his whole life to protect Hawaiian resources through native Hawaiian cultural methods he learned from his father. He has been involved in the 'Aha Moku process since its restoration in 2006. Mr. Hashimoto is a subsistence fisherman and has also contributed significantly to the contents of two books regarding the oral histories of Ha'ena.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Water and Land that are attached to this report, your Committees, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommend that the Senate advise and consent to the nominations.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Shimabukuro, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Shimabukuro).

**SCRep. 830 Tourism and Hawaiian Affairs on Gov. Msg. No. 586**

Recommending that the Senate advise and consent to the nomination of the following:

CHAIRPERSON OF THE DEPARTMENT OF HAWAIIAN HOME LANDS

G.M. No. 586 JOBIE MASAGATANI, for a term to expire on 12-31-2014

Your Committee has reviewed the personal history, resume, and statements of the nominee, and finds Jobie Masagatani to have the necessary qualifications for the Chairperson of the Hawaiian Homes Commission.

Your Committee received testimony in support of Jobie Masagatani from Governor Neil Abercrombie; Department of Human Resources Development; Department of the Attorney General; Department of Budget and Finance; Department of Defense; Department of Land and Natural Resources; Department of Transportation; Department of Agriculture; Department of Accounting and General Services; Department of Labor and Industrial Relations; Department of Business, Economic Development, and Tourism; Department of Public Safety; Department of Health; Department of Human Services; Office of Information Management and Technology; Hawaii Paroling Authority; Hawaii Housing Finance and Development Corporation; Kamehameha Schools; Office of Hawaiian Affairs; University of Hawai'i System; Department of Hawaiian Home Lands; O'ahu Council of the Association of Hawaiian Civic Club; Kuakini Hawaiian Civic Club of Kona; Hawaiian Affairs Caucus, Democratic Party of Hawaii; The Chamber of Commerce of Hawaii; Building Industry Association Hawaii; Sopogy; Sandwich Isles Communications, Inc.; Maku'u Farmers Association; Fortus Property Group; Innovations Development Group; Hawai'i Construction Alliance; Waiehu Kou Phase 3 Association, Inc.; Malu 'ohai Residents' Association; Waimanalo Hawaiian Homes Association; Kauai Island Utility Cooperative; Papa Ola Lokahi; Urban Housing Communities; Kapolei Community Development Corporation; Ko'olau Foundation; Ko'olaupoko Hawaiian Civic Club; Ke Ola Mamo; The Pacific Resource Partnership; Aupuni O Hawai'i; 'Ahahui Siwila Hawai'i O Kapolei; SunPower Corporation, System, Inc.; Hawaii Medical Service Association Foundation; Villages of La'i'opua Master Association; Waiohuli Hawaiian Homesteaders Assn.; Lee Communications, Inc.; Partners in Development Foundation; Princess Kahanu Estates Association; West Hawaii Hawaiian Homes Commission; Auamo I Na Alaka'i; Kekaha Hawaiian Homestead Association; Hawai'i Maoli; 'Ahahui 'Aina Ho'opulapula O Waiohuli; Pearl Harbor Hawaiian Civic Club; Special Olympics Hawaii; Indigenous Consultants, LLC; Rosehill and Associates; Kalamaula Homesteaders' Association; Dowling Company, Inc.; Leo A Daly; Ahupua'a o Moloka'i; Hoolehua Homestead Association; One Alii Kamiloloa Homestead Association; Kapaakea Homestead Association; Molokai Homestead Farms Alliance; Molokai Homestead Livestock Association; Kalamaula Mauka Homestead Association; Hoolehua Homestead Agriculture Association; Aukai Pacific LLC; C-III Realty Services LLC; and more than 800 individuals. Your Committee received testimony in opposition to Jobie Masagatani from the Council for Native Hawaiian Advancement, Sovereign Moku-puni Council O Oahu, Hoolehua Homesteads, Sovereign Councils of the Hawaiian Homelands Assembly, Anahola Hawaiian Homes Association, Waianae Kai Homestead, and six individuals. Your Committee received comments from the Association of Hawaiian Civic Clubs.

Your Committee finds that Jobie Masagatani possesses the leadership, knowledge, and skill required to carry out the mission of the Department of Hawaiian Home Lands. Jobie Masagatani graduated from the Kamehameha Schools with Honors in 1982. She obtained her Bachelor of Science degree in Education from the School of Education at Northwestern University and continued on to earn a Master's degree in Public Affairs/Urban and Regional Planning from Princeton University. She has held various jobs with increasing responsibilities over the years. She began her career as a Budget Examiner in the Office of Management and Budget, Executive Office of the President of the United States. She returned to Hawaii in 1990 and worked as a Land Investment Analyst for the Kamehameha Schools/Bishop Estate where, among other responsibilities, she assisted the development of the Kamehameha Schools Master Plan for Kaupulehu and helped to implement this plan. In 1993, she became a Project Manager for Hawaii Real Estate Research and Education Center at the University of Hawaii where she managed a \$400,000 federal research grant given to the center to study residential leasehold issues.

Notably, she served as Deputy to the Chairman of the Hawaiian Homes Commission from 1995-2002 where she managed the Department of Hawaiian Home Lands' ("Department") operations for 130 staff members. As Deputy, she initiated reforms to the Department's mortgage financing programs to reduce the financial risk of exposure to departmental assets; facilitated the implementation of a new federal program for Native Hawaiian Housing; oversaw the construction of the Lanikeha Community Center in Hoolehua, Molokai; and led the project team that responded to constitutional challenges to the Hawaiian Home Lands program.

Subsequently, she took a position as Assistant to the President and Chief Executive Officer of The Queen's Health Systems where she was instrumental in developing the strategic plan to address Native Hawaiian health issues. After her tenure at The Queen's Health Systems, she became Principal and Founder of Clarity Organizational Services, a strategic planning firm. In this position she assisted the Department in the development of the Kulia i ka Nuu self-governance program and revised the Department's administrative rules relating to the sale of homestead leases. She returned to public service when she was hired as the Public Policy Program Manger at the

Office of Hawaiian Affairs. In this position, she developed a foundation for the policy program to streamline their efforts through coordinated advocacy at the State Legislature. She utilized her collaborative style to engage stakeholders, beneficiaries, and executives in meaningful conversations and urged a conciliatory approach to addressing complex issues. Her efforts earned her advancement to Special Assistant to the Chief Executive Officer of the Office of Hawaiian Affairs.

In addition to a wealth of professional experience, the nominee is affiliated with numerous communities throughout the State, many of which help to advance Native Hawaiians, including the Queen Liliuokalani Trust Trustee Compensation Committee, Hui Hanai Board of the Queen Liliuokalani Children's Center, Native Hawaiian Education Council, Kamehameha Schools Board of Advisors, University of Hawaii John A. Burns School of Medicine Department of Native Hawaiian Health Community Advisory Board, U.S. Census Advisory Committee on the Native Hawaiian and Other Pacific Islanders Population, and Affordable Housing Advisory Council Federal Home Loan Bank of Seattle.

Currently, Jobie Masagatani is the Chairperson Designate of the Hawaiian Homes Commission and has expressed her commitment to five integral areas of the Department for her tenure as Chairperson. She is committed to stabilizing the Department's financial future; addressing homestead affordability issues plaguing beneficiaries; revitalizing the agriculture program; maximizing management of the Department's natural resources; and supporting community-based projects.

Your Committee heard opposition from a few agencies and individuals who expressed concern regarding the nominee's communication and leadership skills; her ability to bring groups together and facilitate resolutions of difficult issues; and her loyalty to Native Hawaiian beneficiaries. Specifically, there were concerns regarding the way the nominee sought to spend trust funds and her support of certain long-term community projects that would benefit Native Hawaiians. Your Committee finds that many of these viewpoints were expressed by a handful of beneficiaries who were disappointed by minor project delays due to the nominee's undertaking of due diligence befitting her position as Chairperson Designate. For example, in one project in Nanakuli, the nominee testified that the Department did not immediately sign-off on a development agreement because the developers had not provided the Department with a written commitment as to how beneficiaries would be provided for in the project although the Department was providing a free lease.

Your Committee finds that, despite the opposition, Jobie Masagatani has the credentials and ability to operate and straddle the competing interests of the State and the beneficiaries to the Hawaiian Trust. Your Committee finds that the nominee's experience as the Department's Deputy to the Chairman for seven years provides her with an acute understanding of the Department, its funding and operations, the complex issues surrounding the beneficiary obligations, and its legal responsibilities. As is evidenced by the testimony submitted in support of the nominee by her colleagues, public and private agencies, and individuals, Jobie Masagatani is a highly motivated public servant with a strong work ethic who takes a proactive approach to problem solving, seeks input and consensus on issues, quickly grasps complex issues, and communicates effectively in a positive and encouraging manner. Her vision and strength of character will enable her to set and maintain a firm course for the Department.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 831 Commerce and Consumer Protection on Gov. Msg. No. 510**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EXAMINERS IN OPTOMETRY

G.M. No. 510 PETER SHOJI, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Peter Shoji 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 Peter Shoji from the Department of Commerce and Consumer Affairs and Hawaii Optometric Association.

Upon review of the testimony, your Committee finds that Dr. Shoji's knowledge, experience as a licensed optometrist, and desire to contribute to the community qualify him for appointment to the Board of Examiners in Optometry. Your Committee notes that Dr. Shoji has been a licensed optometrist for the past twenty-seven years and is a member of the American Optometric Association and the Hawaii Optometric Association. Dr. Shoji has leadership experience by virtue of his prior positions on the Hawaii Optometric Association Executive Board and the American Optometric Association Board of Directors, and has been actively involved with various community service organizations and neighborhood boards. Your Committee further finds that Dr. Shoji has served as an interim member on the Board of Examiners in Optometry since August 2012, has a thorough understanding of the role and responsibilities of board members, and is being appointed to the Board of Examiners in Optometry based on his background, experience, and dedication to protecting the profession of optometry and 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Taniguchi, Wakai, Slom).

**SCRep. 832 Commerce and Consumer Protection on Gov. Msg. No. 512**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF NATUROPATHIC MEDICINE

G.M. No. 512 RODNEY 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 Rodney Chun to possess the requisite qualifications to be nominated to the Board of Naturopathic Medicine.

Your Committee received testimony in support of the nomination of Rodney Chun from the Department of Commerce and Consumer Affairs and four individuals.

Upon review of the testimony, your Committee finds that Dr. Chun's background as a naturopathic physician and past leadership experience qualify him for appointment to the Board of Naturopathic Medicine. Your Committee notes that Dr. Chun has been licensed as a naturopathic physician since 1970 and has been involved with the Board since 1971. Dr. Chun's years of practice and the continuing education he has received throughout his career have enabled him to remain current on issues relating to naturopathy. Your Committee further finds that Dr. Chun has served most recently on the Board of Naturopathic Medicine as an interim member since July 2012 and is able to actively contribute to discussions because of his detailed knowledge of naturopathic medicine and the history of the Board of Naturopathic Medicine. Dr. Chun has a thorough understanding of the role and responsibility of board members and has been appointed to the Board of Naturopathic Medicine based on his knowledge, experience, and dedication to the public and the field of naturopathic medicine.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 833 Commerce and Consumer Protection on Gov. Msg. Nos. 518 and 519**

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE REPAIR INDUSTRY BOARD

G.M. No. 518 MARIE WEITE, for a term to expire 6-30-2016; and

G.M. No. 519 MICHAEL TETSUTANI, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Marie Weite and Michael Tetsutani to possess the requisite qualifications to be nominated to the Motor Vehicle Repair Industry Board.

MARIE WEITE

Your Committee received testimony in support of the nomination of Marie Weite from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Ms. Weite's background, experience, and desire to contribute to the community qualify her for appointment to the Motor Vehicle Repair Industry Board as a public member. Your Committee notes that Ms. Weite is employed in the insurance industry as a technical specialist handling litigation claims. Ms. Weite has leadership experience by virtue of her service on various boards, including boards for Prevent Child Abuse Hawaii and the Keiki Injury Prevention Coalition. Ms. Weite previously served two terms on the Governor's Highway Safety Council and has been an interim appointee to the Motor Vehicle Repair Industry Board since December 2012. Your Committee further finds that Ms. Weite has been appointed to the Motor Vehicle Repair Industry Board as a public member based on her experience, willingness to serve, and dedication to the community.

MICHAEL TETSUTANI

Your Committee received testimony in support of the nomination of Michael Tetsutani from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Tetsutani's knowledge, experience, and desire to contribute to the community qualify him for appointment to the Motor Vehicle Repair Industry Board as an industry member. Your Committee notes that Mr. Tetsutani has been in the automotive industry for over thirty years and currently serves as the Service and Parts Director for a franchise dealer in Honolulu. Mr. Tetsutani has been an interim appointee of the Motor Vehicle Repair Industry Board since July 2012, and his knowledge of the automotive industry continues to enhance the effectiveness of the Board. Your Committee further finds that Mr. Tetsutani is committed to giving back to his community and has been appointed to the Motor Vehicle Repair Industry Board as an industry member based on his knowledge, experience, and dedication to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 834 Commerce and Consumer Protection on Gov. Msg. No. 520**

Recommending that the Senate advise and consent to the nomination of the following:

PEST CONTROL BOARD

G.M. No. 520 RODNEY ONO, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rodney Ono to possess the requisite qualifications to be nominated to the Pest Control Board.

Your Committee received testimony in support of the nomination of Rodney Ono from the Department of Commerce and Consumer Affairs, Hawaii Pest Control Association, and Accu-Pest & Termite Control Services.

Upon review of the testimony, your Committee finds that Mr. Ono's extensive background in the pest control industry, commitment to public service, and prior leadership experience qualify him for appointment to the Pest Control Board. Your Committee notes that Mr. Ono is an entomologist and the owner of Hilo Termite & Pest Control, Ltd., with over three decades of experience in the pest control industry. Your Committee further finds that Mr. Ono has been an active member of the Hawaii Pest Control Association for many years, including serving as past President. Mr. Ono was appointed as an interim industry member to the Pest Control Board in July 2012 and actively participates in Board discussions. Mr. Ono has a thorough understanding of the role and responsibilities of board members and has been appointed to the Pest Control Board based on his educational background, professional experience, and commitment to serving the community on matters relating to pest control.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 835 Commerce and Consumer Protection on Gov. Msg. No. 521**

Recommending that the Senate advise and consent to the nomination of the following:

REAL ESTATE COMMISSION

G.M. No. 521 SCOTT ARAKAKI, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Scott Arakaki to possess the requisite qualifications to be nominated to the Real Estate Commission.

Your Committee received testimony in support of the nomination of Scott Arakaki from the Real Estate Commission of the Department of Commerce and Consumer Affairs, JCI Hawaii Filipino Junior Chamber, and twenty-one individuals.

Upon review of the testimony, your Committee finds that Mr. Arakaki's background, experience, and commitment to public service qualify him for appointment to the Real Estate Commission as a City and County of Honolulu public member. Your Committee notes that Mr. Arakaki is a licensed attorney with over seventeen years of legal experience, and his practice primarily includes real estate litigation and some real estate transactional matters. Mr. Arakaki has also been a certified continuing education real estate instructor for a number of years, which has permitted him to educate hundreds of licensed real estate brokers and real estate salespersons about the legal intricacies of the real estate profession. Mr. Arakaki has demonstrated his leadership abilities through his membership in various organizations, including the JCI Filipino Junior Chamber and Filipino Community Center, and as an interim member of the Real Estate Commission. Your Committee further finds that Mr. Arakaki has been appointed to the Real Estate Commission based on his extensive professional background, proven leadership experience, and dedication to protecting the State's real estate licensees and 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 836 Commerce and Consumer Protection on Gov. Msg. No. 598**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF ACUPUNCTURE

G.M. No. 598 JAYNE TSUCHIYAMA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds 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 Jayne Tsuchiyama from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Ms. Tsuchiyama's experience as a licensed acupuncturist, background, and commitment to public service qualify her for reappointment to the Board of Acupuncture as a licensee member. Your Committee notes that Ms. Tsuchiyama is the first acupuncturist to work in The Queen's Cancer Center, a multidisciplinary treatment and research center, and was the first acupuncturist in Hawaii to receive a grant to provide acupuncture to low-income and unemployed breast cancer patients. Your Committee further finds that Ms. Tsuchiyama is interested in protecting the integrity of her profession by ensuring acupuncturists meet high standards of ethical and professional conduct and recommends that Ms. Tsuchiyama be reappointed to the Board of Acupuncture based on her knowledge, experience, and dedication to advancing the profession of acupuncture and protecting the interests of acupuncture patients and consumers in the State.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Taniguchi, Wakai, Slom).

**SCRep. 837 Commerce and Consumer Protection on Gov. Msg. No. 599**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAI'I HURRICANE RELIEF FUND

G.M. No. 599 ELVIRA LO, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Elvira Lo to possess the requisite qualifications to be nominated to the Board of Directors of the Hawai'i Hurricane Relief Fund.

Your Committee received testimony in support of the nomination of Elvira Lo from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Ms. Lo's extensive business experience, commitment to the community, and proven leadership experience qualify her for appointment to the Board of Directors of the Hawai'i Hurricane Relief Fund. Your Committee notes that Ms. Lo has distinguished herself as a business leader and has founded and managed several successful retail and real estate businesses. Ms. Lo was the recipient of the Governor's Exporter of the Year Award by the State of Hawaii in 2000 and the recipient of the Hawaii Small Business Exporter of the Year by the United States Small Business Administration in 2001. Your Committee further finds that Ms. Lo has served on a variety of professional and cultural organizations, including the Hong Kong Business Association of Hawaii, Chinese Chamber of Commerce of Hawaii, and Hawaii Food Manufacturers Association. Ms. Lo has a thorough understanding of the role and responsibility of board members and has been appointed to the Board of Directors of the Hawai'i Hurricane Relief Fund based on her knowledge, experience, and leadership abilities.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 838 Commerce and Consumer Protection on Gov. Msg. No. 602**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 602 KERRI OKAMURA, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kerri Okamura to possess the requisite qualifications to be nominated to the Board of Pharmacy.

Your Committee received testimony in support of the nomination of Kerri Okamura from the Department of Commerce and Consumer Affairs, KTA Super Stores, and eighteen individuals.

Upon review of the testimony, your Committee finds that Ms. Okamura's professional experience, commitment to community service, and proven leadership qualify her for appointment to the Board of Pharmacy as a licensee member representing Hawaii County. Your Committee notes that Ms. Okamura currently serves as the Director of Pharmacy Operations and Privacy Officer for KTA Super Stores, with responsibility for all KTA pharmacy operations and ensuring compliance with all federal and state privacy laws. Ms. Okamura has been actively involved in her professional field and her community through various activities including past President for the Hawaii Pharmacist Association, Preceptor for the University of Hawaii at Hilo College of Pharmacy, the University of Hawaii at Hilo College of Pharmacy Dean's Advisory Council, and E. B. DeSilva Elementary School PTA. Ms. Okamura has also been recognized in her profession with awards such as the 2008 University of Hawaii at Hilo College of Pharmacy's Preceptor of the Year award and the 2009 Hawaii Pharmacist Association Pharmacist of the Year award. Your Committee further finds that Ms. Okamura has a thorough understanding of the role and responsibilities of board members and has been appointed to the Board of Pharmacy based on her extensive experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 839 Commerce and Consumer Protection on Gov. Msg. No. 603**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHYSICAL THERAPY

G.M. No. 603 ELIZABETH MCCREARY, for a term to expire 6-30-2015



Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Elizabeth McCreary to possess the requisite qualifications to be nominated to the Board of Physical Therapy.

Your Committee received testimony in support of the nomination of Elizabeth McCreary from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Ms. McCreary's background and desire to serve the community qualify her to serve as a public member of the Board of Physical Therapy. Your Committee notes that physical therapy has always been a major part of Ms. McCreary's life, as her parents were physical therapy pioneers. Your Committee further finds that Ms. McCreary is the co-author of the classic physical therapy textbook, "Muscles: Testing and Function, with Posture and Pain", which will enable her to contribute a valuable perspective to the Board. Ms. McCreary has experience serving on boards of other non-profits and recently assisted the Brain Injury Association of Hawaii in a pilot program for individuals with brain injuries. Ms. McCreary's familiarity with physical therapy, her background, and her commitment to maintaining and improving standards of care in physical therapy fully qualify her to advocate for the public interest as a public member of the Board of Physical Therapy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 840 Commerce and Consumer Protection on Gov. Msg. Nos. 607 and 608**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF VETERINARY EXAMINERS

G.M. No. 607 WENDY MAH, for a term to expire 6-30-2017; and

G.M. No. 608 MICHAEL WOLTMON, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Wendy Mah and Michael Woltmon to possess the requisite qualifications to be nominated to the Board of Veterinary Examiners.

Your Committee received testimony in support of the nomination of Wendy Mah from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Ms. Mah's background and prior experience as a Board member qualify her for reappointment as a public member to the Board of Veterinary Examiners. Your Committee notes that Ms. Mah has many years of experience as an animal behaviorist. Ms. Mah has served on the Board of Veterinary Examiners since 2009 and has been a diligent and contributing member who actively participates in Board meeting discussions. Your Committee further finds that Ms. Mah's professional background and her background as a pet owner provide the Board of Veterinary Examiners with a balanced perspective as a consumer who uses the services of a veterinarian. Ms. Mah understands the roles and responsibilities of Board members and is being reappointed to the Board of Veterinary Examiners based on her background, experience, and commitment to representing other consumers of veterinary medicine.

Your Committee received testimony in support of the nomination of Michael Woltmon from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Woltmon's experience as a licensed veterinarian, commitment to public service, and prior experience as a Board member qualify him for reappointment to the Board of Veterinary Examiners. Your Committee notes that Dr. Woltmon has been a licensed veterinarian on the island of Kauai for over thirty years. Dr. Woltmon has worked in the veterinary profession for over four decades and has a comprehensive understanding of the profession and how it has changed in Hawaii and the rest of the country over time. Your Committee further finds that Dr. Woltmon is committed to public service and has served on the Hawaii Veterinary Medical Association Executive Board, Kauai Chamber of Commerce Executive Board, and as a high school athletics coach. Dr. Woltmon has been a licensee Board member from Kauai since 2011 and is being reappointed to the Board of Veterinary Examiners 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 (Slom).

**SCRep. 841 Commerce and Consumer Protection on Gov. Msg. No. 609**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII MEDICAL BOARD

G.M. No. 609 NIRAJ DESAI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Niraj Desai to possess the requisite qualifications to be nominated to the Hawaii Medical Board.

Your Committee received testimony in support of the nomination of Niraj Desai from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Desai'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. Desai is a kidney specialist in solo practice and has been licensed in Hawaii since 2000. Dr. Desai is the President of the Kauai County Medical Society, serves on the Credentials Committee of Wilcox Memorial Hospital, and has been a member of the Hawaii Medical Board since July 2009. Dr. Desai was previously the Associate Fellowship Director for the University of Chicago Section of Nephrology, and his extensive background and many years of experience as a practitioner continue to enhance the effectiveness of the Hawaii Medical Board. Your Committee further finds that Dr. Desai is committed to ensuring that standards of care in the medical field remain appropriate in an era of increasing specialization and complexity and recommends that Dr. Desai be reappointed to the Hawaii Medical Board based on his knowledge, experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 842 Commerce and Consumer Protection on Gov. Msg. No. 613**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF CHIROPRACTIC EXAMINERS

G.M. No. 613 KATHLEEN KANG-KAULUPALI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds 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 Kathleen Kang-Kaulupali from the Department of Commerce and Consumer Affairs and three individuals.

Upon review of the testimony, your Committee finds that Dr. Kang-Kaulupali's background, experience, and desire to serve the community qualify her for reappointment to the State Board of Chiropractic Examiners as a public member. Your Committee notes that Dr. Kang-Kaulupali is a licensed pharmacist and is the Coordinator for the Hawaii Medicaid Drug Utilization Review Panel of the Department of Human Services, Med-QUEST Division. Dr. Kang-Kaulupali actively participates in the American Pharmacists Association and the Hawaii Pharmacists Association and has served on the State Board of Chiropractic Examiners since May 2011, where her background as a health care practitioner and experience with national and state boards continue to enhance the effectiveness of the Board. Dr. Kang-Kaulupali understands the role and responsibilities of the State Board of Chiropractic Examiners and has been reappointed to the State Board of Chiropractic Examiners based on her knowledge, experience, and continuing commitment to 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, 6. Noes, none. Excused, 1 (Slom).

**SCRep. 843 Commerce and Consumer Protection on Gov. Msg. No. 511**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF MASSAGE THERAPY

G.M. No. 511 GEORGE DAVIS, JR., for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds George Davis, Jr., to possess the requisite qualifications to be nominated to the Board of Massage Therapy.

Your Committee received testimony in support of the nomination of George Davis, Jr., from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Davis's experience, background as a massage therapist, and commitment to public service qualify him for appointment to the Board of Massage Therapy. Your Committee notes that Mr. Davis has been licensed as a massage therapist in Hawaii since 1996. Mr. Davis has served as an interim member of the Board of Massage Therapy since July 2012, has attended every scheduled board meeting since his interim appointment, and actively participates in board discussions. Mr. Davis has a thorough understanding of the role and responsibilities of board members and is committed to maintaining the high professional standards of the massage therapy profession. Your Committee further finds that Mr. Davis has been appointed to the Board of Massage Therapy based on his knowledge, experience, and dedication to the public and the profession of massage therapy.

As affirmed 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 (Taniguchi, Wakai, Slom).

**SCRep. 844 Commerce and Consumer Protection on Gov. Msg. Nos. 600 and 601**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF ELECTRICIANS AND PLUMBERS

G.M. No. 600 RANDAL HIRAKI, for a term to expire 6-30-2017; and

G.M. No. 601 RANDALL KAYA, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Randal Hiraki and Randall Kaya to possess the requisite qualifications to be nominated to the Board of Electricians and Plumbers.

RANDAL HIRAKI

Your Committee received testimony in support of the nomination of Randal Hiraki from the Department of Commerce and Consumer Affairs; Plumbing and Mechanical Contractors Association of Hawaii; Plumbers and Fitters Union, Local 675; and two individuals.

Upon review of the testimony, your Committee finds that Mr. Hiraki's knowledge, experience, and commitment to the community qualify him for appointment to the Board of Electricians and Plumbers as a licensee member. Your Committee notes that Mr. Hiraki has been in the plumbing industry for over three decades and has been a licensed plumber in Hawaii since 1979. Mr. Hiraki is the President of Commercial Plumbing, Inc., a company he established as a two-person operation in 1985; the company has since grown into the largest plumbing contractor in the State with over one hundred thirty employees. Mr. Hiraki and his company show continuing dedication to the community through participating in various charitable events, including the Great Aloha Run; Friends of Hawaii Charities, Inc.; and company sponsorship of the annual JDRF Walk to Cure Diabetes. Your Committee further finds that Mr. Hiraki has a thorough understanding of the role and responsibilities of board members and has been appointed to the Board of Electricians and Plumbers as a licensee member based on his background, professional experience, and dedication to public service.

RANDALL KAYA

Your Committee received testimony in support of the nomination of Randall Kaya from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Kaya's background, dedication to serving the public, and experience on the Board of Electricians and Plumbers qualify him for reappointment to the Board of Electricians and Plumbers as a public member. Your Committee notes that Mr. Kaya is a Certified Investment Management Analyst with a background in investments and consulting. Mr. Kaya has served on the Board of Electricians and Plumbers since July 2010, and his insight from the public's perspective has been invaluable to the deliberations of the Board. Mr. Kaya is familiar with board procedures and protocol by virtue of his prior experience serving on the Board of Accountancy and his current service on the Board of Electricians and Plumbers. Your Committee further finds that Mr. Kaya has a thorough understanding of the role and responsibilities of board members and has been reappointed to the Board of Electricians and Plumbers as a public member based on his experience and commitment to serving the community.

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 (Taniguchi, Wakai, Slom).

**SCRep. 845 Commerce and Consumer Protection on Gov. Msg. Nos. 515 and 516**

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 515 NATHAN KONISHI, for a term to expire 6-30-2013; and

G.M. No. 516 NATHAN KONISHI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nathan Konishi to possess the requisite qualifications to be nominated to the Contractors License Board.

Your Committee received testimony in support of the nomination of Nathan Konishi from the Department of Commerce and Consumer Affairs, General Contractors Association of Hawaii, Contractors Association of Kaua'i, and five individuals.

Upon review of the testimony, your Committee finds that Mr. Konishi's professional experience, background, and commitment to public service qualify him for appointment and reappointment to the Contractors License Board as an industry member representing Kauai. Your Committee notes that Mr. Konishi has been in the construction industry for almost three decades and has been licensed in the State since 1995. Mr. Konishi holds the general building, masonry, and painting license classifications and is the founder and responsible managing employee of Pacific Blue Construction, LLC, on Kauai, which specializes in commercial building jobs with federal, state, and county public works bids. Mr. Konishi has served as an interim industry member on the Contractors License Board since January 2013 and has a thorough understanding of the role and responsibilities of board members. Your Committee further finds that Mr. Konishi has been appointed and reappointed to the Contractors License Board as an industry member based on his experience, knowledge of the profession, and desire to contribute to 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 (Taniguchi, Wakai, Slom).

**SCRep. 846 Commerce and Consumer Protection on Gov. Msg. Nos. 514 and 606**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF SPEECH PATHOLOGY AND AUDIOLOGY

G.M. No. 514 JUNE UYEHARA-ISONO, for a term to expire 6-30-2015; and

G.M. No. 606 SHARI GOO-YOSHINO, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds June Uyehara-Isono and Shari Goo-Yoshino to possess the requisite qualifications to be nominated to the Board of Speech Pathology and Audiology.

JUNE UYEHARA-ISONO

Your Committee received testimony in support of the nomination of June Uyehara-Isono from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Uyehara-Isono's knowledge, experience as an audiologist, and prior leadership experience on state boards qualify her for appointment to the Board of Speech Pathology and Audiology as a licensee member. Your Committee notes that Dr. Uyehara-Isono has been a licensed audiologist in private practice for over three decades and has clinical service locations in Honolulu, Hilo, and Kailua-Kona. Dr. Uyehara-Isono is familiar with board procedures and protocol by virtue of her prior experience as a licensee member on the former Board of Hearing Aid Dealers and Fitters and as a public member on the Board of Electricians and Plumbers. Your Committee further finds that Dr. Uyehara-Isono has a thorough understanding of the role and responsibilities of board members and recommends her appointment to the Board of Speech Pathology and Audiology based on her background, experience, and dedication to public service.

SHARI GOO-YOSHINO

Your Committee received testimony in support of the nomination of Shari Goo-Yoshino from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Ms. Goo-Yoshino's knowledge, background, and experience on the Board of Speech Pathology and Audiology qualify her for reappointment to the Board of Speech Pathology and Audiology. Your Committee notes that Ms. Goo-Yoshino has been a licensed and practicing speech pathologist for over twenty years and currently serves as a Speech-Language Pathologist at Tripler Army Medical Center and a speech pathology instructor at the University of Hawaii. Ms. Goo-Yoshino has served on the Board of Speech Pathology and Audiology since October 2010 and is the current Vice Chairperson. Your Committee further finds that Ms. Goo-Yoshino's administrative, clinical, and teaching experience in the field of speech pathology continue to enhance the effectiveness of the Board of Speech Pathology and Audiology and recommends her reappointment to the Board of Speech Pathology and Audiology based on her background, experience, and proven leadership ability.

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 (Taniguchi, Wakai, Slom).

**SCRep. 847 Commerce and Consumer Protection on Gov. Msg. No. 611**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 611 ALEXANDER CHOI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alexander Choi 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, experience, and desire to serve the community qualify him for reappointment to the Board of Barbering and Cosmetology as a public member. Your Committee notes that Mr. Choi is the owner of Salon Bobbi and Guy, a full-service beauty salon with multiple locations on Oahu, and the owner of a wholesale beauty supply distributorship. Mr. Choi has served on the Board of Barbering and Cosmetology since July 2011, and his working knowledge of the beauty industry has enabled him to contribute a valuable perspective to the Board. Your Committee further finds that Mr. Choi is fully qualified to advocate for the public interest as a public member of the Board of Barbering and Cosmetology and recommends Mr. Choi's reappointment to the Board of Barbering and Cosmetology based on his background and continuing commitment to advocate for public consumers of barbering and cosmetology services.

As affirmed 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 (Taniguchi, Wakai, Slom).

**SCRep. 848 Commerce and Consumer Protection on Gov. Msg. Nos. 507, 508, and 509**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DENTAL EXAMINERS

G.M. No. 507 RODNEY CHING, for a term to expire 6-30-2015;

G.M. No. 508 STAPHE FUJIMOTO, for a term to expire 6-30-2013; and

G.M. No. 509 STAPHE FUJIMOTO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Rodney Ching and Staphe Fujimoto to possess the requisite qualifications to be nominated to the Board of Dental Examiners.

RODNEY CHING

Your Committee received testimony in support of the nomination of Rodney Ching from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Mr. Ching's background, experience, and dedication to public service qualify him for appointment to the Board of Dental Examiners as a public member. Your Committee notes that Mr. Ching has been a practicing attorney for three decades. Mr. Ching has been in private practice since 1987 and has a wide variety of previous work experience, including beginning his legal career with the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and serving as a per diem Family Court Judge. Mr. Ching has also chaired numerous Medical Claim Conciliation Panels and has acted as a mediator and arbitrator in various cases. Your Committee further finds that Mr. Ching has a thorough understanding of the role and responsibilities of board members and has been appointed to the Board of Dental Examiners as a public member based on his knowledge, professional experience, and commitment to serving the best interests of dental consumers and the public.

STAPHE FUJIMOTO

Your Committee received testimony in support of the nomination of Staphe Fujimoto from the Department of Commerce and Consumer Affairs and Hawaii Dental Association.

Upon review of the testimony, your Committee finds that Dr. Fujimoto's professional experience, background, and commitment to public service qualify him for appointment and reappointment to the Board of Dental Examiners as a dentist member. Your Committee notes that Dr. Fujimoto has been a licensed practicing dentist in Hawaii since 1985. Dr. Fujimoto is a member in good standing of the American Dental Association, Hawaii Dental Association, and Honolulu County Dental Association and has served as a Trustee and Secretary of the Hawaii Dental Association Board of Trustees. Dr. Fujimoto is also active in his community and is a member of the Mililani Sunrise Rotary Club. Dr. Fujimoto is currently serving on the Board of Dental Examiners as an interim member and has a thorough understanding of the role and responsibilities of board members. Your Committee further finds that Dr. Fujimoto has been appointed and reappointed to the Board of Dental Examiners as a dentist member based on his experience, knowledge of the profession, and desire to contribute to the community.

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 (Taniguchi, Wakai, Slom).

**SCRep. 849 Commerce and Consumer Protection on Gov. Msg. Nos. 513, 604, 605, and 676**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 513 JOEL KUROKAWA, for a term to expire 6-30-2016;

G.M. No. 604 DAN HIROTA, for a term to expire 6-30-2016;

G.M. No. 605 ROBERTO YUMOL, for a term to expire 6-30-2015; and

G.M. No. 676 KEVIN KATAYAMA, 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 Kurokawa, Dan Hirota, Roberto Yumol, and Kevin Katayama to possess the requisite qualifications to be nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

JOEL KUROKAWA

Your Committee received testimony in support of the nomination of Joel Kurokawa from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Kurokawa's professional background, experience, and dedication to serving the public qualify him for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a landscape architect member. Your Committee notes that Mr. Kurokawa has more than twenty-five years of experience in the field of landscape architecture and practiced in California and Japan before returning to Hawaii in 1995. Mr. Kurokawa is the current principal and owner of his design firm, and he strives to integrate sustainable design strategies in his work that are adapted to Hawaii's unique setting. Mr. Kurokawa is familiar with board procedures and protocol by virtue of his prior experience serving on the Executive Committee of the Hawaii Chapter of the American Society of Landscape Architects, board of The Outdoor Circle, board of Smart Trees Pacific, and as an interim member of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, where he has served since December 2012. Your Committee further finds that Mr. Kurokawa has been appointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, professional experience, and commitment to public service.

DAN HIROTA

Your Committee received testimony in support of the nomination of Dan Hirota from the Department of Commerce and Consumer Affairs and six individuals.

Upon review of the testimony, your Committee finds that Mr. Hirota's professional background, desire to contribute to the community, and prior experience on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a land surveyor member. Your Committee notes that Mr. Hirota has more than sixteen years of work experience as a land surveyor and engineer in Hawaii, and is the third generation of his family to practice his profession in the State. Mr. Hirota has held several board positions, including past President, in the Hawaii Land Surveyors Association and has served on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects since July 2008. Mr. Hirota was also the primary representative of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects who worked with the Hawaii Land Surveyor Association, the Regulated Industries Complaints Office, and the Office of the Attorney General to finalize the definition of "land surveying" in a measure that was eventually enacted as Act 79, Session Laws of Hawaii 2012. Your Committee further finds that Mr. Hirota has been reappointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, experience, and commitment to public service.

ROBERTO YUMOL

Your Committee received testimony in support of the nomination of Roberto Yumol from the Department of Commerce and Consumer Affairs and six individuals.

Upon review of the testimony, your Committee finds that Mr. Yumol's professional background, commitment to serving the public, and prior experience on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects qualify him for reappointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as an architect member. Your Committee notes that Mr. Yumol has over thirty-five years of experience in the field of architecture, has been licensed in Hawaii for over twenty-five years, and has worked in all aspects of the discipline, including mentoring. Mr. Yumol has managed numerous significant architectural projects throughout the State and has been an active member of the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects since July 2007, where he has volunteered to serve on committees and has represented the Board at most regional and national meetings. Mr. Yumol is also an active participant of the National Council of Architectural Registration Board. Your Committee further finds that Mr. Yumol's expertise remains a valuable asset to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, and recommends that Mr. Yumol be reappointed based on his knowledge, experience, and desire to contribute to the community.

KEVIN KATAYAMA

Your Committee received testimony in support of the nomination of Kevin Katayama from the Department of Commerce and Consumer Affairs, Coalition of Hawaii Engineering and Architectural Professionals, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Katayama's professional background, experience, and dedication to public service qualify him for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a mechanical engineer member. Your Committee notes that Mr. Katayama has twenty-five years of engineering experience and has been the President and principal-in-charge of his consulting mechanical engineering firm for fifteen years. Mr. Katayama is familiar with board procedures and protocol by virtue of his prior experience serving on the City and County of Honolulu Building Board of Appeals and his current experience as a board member for the Bobby Benson Center. Mr. Katayama is also affiliated with the American Society of Heating, Refrigeration, and Air Conditioning Engineers, National Fire Protection Association, Consulting Engineering Council of Hawaii, and the U.S. Green Building Council as a LEED Accredited Professional. Your Committee further finds that Mr. Katayama has a thorough understanding of the role and responsibilities of board members and has been appointed to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects based on his knowledge, experience, and desire to contribute to the community.

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 (Taniguchi, Wakai, Slom).

**SCRep. 850 Commerce and Consumer Protection on Gov. Msg. Nos. 517 and 610**

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 517 WILLIAM VAN DEN HURK, for a term to expire 6-30-2016; and

G.M. No. 610 DONALD TOUCHI, 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 van den Hurk and Donald Touchi to possess the requisite qualifications to be nominated to the Motor Vehicle Industry Licensing Board.

WILLIAM VAN DEN HURK

Your Committee received testimony in support of the nomination of William van den Hurk from the Department of Commerce and Consumer Affairs and the Hawaii Automobile Dealers Association.

Upon review of the testimony, your Committee finds that Mr. van den Hurk's knowledge, experience, and desire to contribute to the community qualify him for appointment to the Motor Vehicle Industry Licensing Board as an industry member. Your Committee notes that Mr. van den Hurk is the dealer principal of several franchised motor vehicle dealerships in Hawaii and has been in the automotive industry for over four decades. Mr. van den Hurk is active within his industry and the community and has previously served on several national factory dealer councils. He currently serves on the Board of Directors of the Hawaii Automobile Dealer Association, as an interim appointee to the Motor Vehicle Industry Licensing Board, and has been a long time supporter of the Friends for Life animal shelter in Waianae. Your Committee further finds that Mr. van den Hurk understands the role and responsibilities of board members and has been appointed to the Motor Vehicle Industry Licensing Board based on his extensive knowledge, experience, and commitment to focusing on the automobile consumer.

DONALD TOUCHI

Your Committee received testimony in support of the nomination of Donald Touchi from the Department of Commerce and Consumer Affairs.

Upon review of the testimony, your Committee finds that Mr. Touchi's background, experience, and desire to serve the community qualify him for reappointment to the Motor Vehicle Industry Licensing Board as a public member. Your Committee finds that Mr. Touchi has served on the Motor Vehicle Industry Licensing Board since August 2007 and has attended all thirty-five board meetings since his appointment. Mr. Touchi has a strong investor background, has owned and operated an insurance agency, and has served on various boards and commissions in the State. Mr. Touchi's understanding of the role and responsibility of board members, desire to protect consumers and their rights, and ability to encourage thoughtful discussions among fellow board members enhance the effectiveness of the Motor Vehicle Industry Licensing Board. Your Committee further finds that Mr. Touchi has been reappointed to the Motor Vehicle Industry Licensing Board based on his knowledge, experience, and commitment to public service.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 851 Energy and Environment on Gov. Msg. Nos. 533 and 534**

Recommending that the Senate advise and consent to the nominations of the following:

KAUA'I AQUATIC LIFE AND WILDLIFE ADVISORY COMMITTEE

G.M. No. 533 DENNIS EGUCHI, for a term to expire 6-30-2016; and

G.M. No. 534 KENT YAMAUCHI, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Dennis Eguchi and Kent Yamauchi to possess the requisite qualifications to be nominated to the Kaua'i Aquatic Life and Wildlife Advisory Committee.

DENNIS EGUCHI

Your Committee received testimony in support of the nomination of Dennis Eguchi from the Department of Land and Natural Resources and one individual.

Upon review of the testimony, your Committee finds that Mr. Eguchi's professional background, effective past service on the Committee, and dedication to serving the public qualify him for appointment to the Kaua'i Aquatic Life and Wildlife Advisory Committee. Mr. Eguchi has served one term on the Committee and has demonstrated an exemplary commitment to the diligent execution of his duties on the Committee. Mr. Eguchi is an avid lifelong fisherman and hunter with a deep appreciation for Hawaii's natural bounty of aquatic and land wildlife, including an understanding of the need for responsible taking and conservation of wildlife. Mr. Eguchi is familiar with board procedures and protocol by virtue of his prior service on the Committee and his experience on the Western Pacific Management Council, where he served as an advisor to Saipan from 1974 to 1982. Your Committee further finds that Mr. Eguchi has been reappointed to the Kaua'i Aquatic Life and Wildlife Advisory Committee based on his knowledge, experience, and commitment to public service.

KENT YAMAUCHI

Your Committee received testimony in support of the nomination of Kent Yamauchi from the Department of Land and Natural Resources and two individuals.

Upon review of the testimony, your Committee finds that Mr. Yamauchi's professional background, effective past service on the Committee, and dedication to the public qualify him for appointment to the Kaua'i Aquatic Life and Wildlife Advisory Committee. Mr. Yamauchi has served one term on the Committee and has demonstrated an extraordinary dedication to the fulfillment of his responsibilities on the Committee. Mr. Yamauchi is a lifelong resident of Kauai and is an avid outdoorsman dedicated to preserving Kauai's natural resources for future generations. Mr. Yamauchi has demonstrated excellent leadership during his twenty-year career as a member of the Hawaii Air National Guard and at his current position as a Range Control Officer at the Pacific Missile Range Facility. Mr. Yamauchi holds several leadership positions in private organizations in the community and has demonstrated a considerable commitment to public service. Your Committee further finds that Mr. Yamauchi has been reappointed to the Kaua'i Aquatic Life and Wildlife Advisory Committee based on his knowledge, experience, and commitment to public service.

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 (Ihara, Slom).

**SCRep. 852 Energy and Environment on Gov. Msg. No. 622**

Recommending that the Senate advise and consent to the nomination of the following:

ENVIRONMENTAL COUNCIL

G.M. No. 622 PAUL CHANG, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Paul Chang to possess the requisite qualifications to be nominated to the Environmental Council.

Your Committee received testimony in support of the nomination of Mr. Chang from the Office of Environmental Quality Control, Hawaii Regional Council of Carpenters, Pacific Resource Partnership, General Contractors Association of Hawaii, and two individuals.

Upon review of the testimony, your Committee finds that Mr. Chang's professional background, experience, and dedication to serving the public qualify him for appointment to the Environmental Council. Your Committee notes that Mr. Chang has forty years of experience as a carpenter in the field and as a foreman. Mr. Chang has also served for over ten years as a service representative for the Hawaii Carpenters Union. Mr. Chang is familiar with board procedures and protocol by virtue of his prior experience serving as a member of the Joint Apprenticeship Training Committee, the Board of Directors of Hawaii Dental Services, and as a member of the Advisory Board for the Hawaii Occupational Safety and Health Division of the Department of Labor and Industrial Relations. Mr. Chang has demonstrated significant dedication to public service, as evidenced by his decades of service to community organizations. Your Committee further finds that Mr. Chang has been appointed to the Environmental Council based on his knowledge, professional experience, and commitment to public service.

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 (Ihara, Slom).

**SCRep. 853 Energy and Environment on S.C.R. No. 28**

The purpose and intent of this measure is to request the Consumer Advocate to establish a work group to evaluate the factors impacting renewable distributed generation by photovoltaic systems in the State and to develop recommendations and proposed legislation that would streamline the interconnection process for homeowners and determine the feasibility of safely raising the distributed generation threshold percentage.

Your Committee received testimony in support of this measure from Hawaii Solar Energy Association and one individual. Your Committee received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; Earthjustice; and PV Coalition. Your Committee received comments on this measure from the Public Utilities Commission; Department of Business, Economic Development, and Tourism; and Hawaiian Electric Company, Inc.

Your Committee finds the focus of this measure, as originally drafted, would unnecessarily overlap with the purview of the Public Utilities Commission and Reliability Standards Working Group, whose work is already well underway and moving toward completion.

Your Committee has amended this measure by:

- (1) Removing language directing the work group to perform tasks and inquiries duplicative of those under the purview of the Reliability Standards Working Group;
- (2) Adding findings regarding the Reliability Standards Working Group;
- (3) Adding language directing the Public Utilities Commission to report on the progress made by the Public Utilities Commission and the electric utilities in implementing the recommendations of the Reliability Standards Working Group;



- (4) Changing its title to more appropriately identify its purpose; 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 Energy and Environment 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 that it be referred to the Committee on Commerce and Consumer Protection, 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 (Ihara, Slom).

**SCRep. 854 Energy and Environment on Gov. Msg. No. 532**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAI'I AUTHORITY

G.M. No. 532 HARVARD KIM, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Harvard Kim to possess the requisite qualifications to be nominated to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority.

Your Committee received testimony in support of the nomination of Harvard Kim from the National Energy Laboratory of Hawai'i Authority; Department of Business, Economic Development, and Tourism; Pelatron, Inc.; and four individuals.

Upon review of the testimony, your Committee finds that Mr. Kim's professional background, experience, and dedication to serving the public qualify him for appointment to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority. Your Committee notes that Mr. Kim has more than twenty-five years of experience in the fields of information systems, business administration, budget and finance planning, and electronics. Mr. Kim is the current President and Chief Operating Officer of Pelatron, Inc., a high tech military contracting firm focused on developing on-the-move command and control systems. Mr. Kim is familiar with board procedures and protocol by virtue of his prior experience serving as a Director for the Pacific LED and Energy Corporation, the Board of the Pacific Center for Economic Development, the Board of the Native Hawaiian Education Council, and the Board of the Kamehameha Federal Credit Union. Mr. Kim is a combat-disabled veteran of the Vietnam War and has shown tremendous dedication to public service. Your Committee further finds that Mr. Kim has been appointed to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority based on his knowledge, professional experience, and commitment to public service.

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 nominee, has found the nominee to be qualified for the position 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. 855 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 652, 653, 654, 655, 656, and 657**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAI'I AEROSPACE ADVISORY COMMITTEE

G.M. No. 652 MICHAEL MABERRY, for a term to expire 6-30-2015;

G.M. No. 653 MARK MCGUFFIE, for a term to expire 6-30-2015;

G.M. No. 654 PETER MOUGINIS-MARK, for a term to expire 6-30-2015;

G.M. No. 655 ELLIOT PULHAM, for a term to expire 6-30-2015;

G.M. No. 656 PETER QUIGLEY, for a term to expire 6-30-2015; and

G.M. No. 657 DONALD STRANEY, 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 Maberry, Mark McGuffie, Peter Mouginis-Mark, Elliot Pulham, Peter Quigley, and Donald Straney to possess the requisite qualifications to be nominated to the Hawaii Aerospace Advisory Committee.

MICHAEL MABERRY

Your Committee received testimony in support of the nomination of Michael Maberry from the Department of Business, Economic Development, and Tourism.

Mr. Maberry received an Associate of Science degree from Eastfield College.

As the current Assistant Director for External Affairs at the University of Hawaii Institute for Astronomy, Mr. Maberry plays a critical role in communicating the activities of the Institute to the public at large, including federally and internationally funded space research programs.

Mr. Maberry is instrumental in promoting astronomy education in local communities statewide, as well as the development and management of the world-class observatories on Haleakala and Mauna Kea. He also serves on the Maui Economic Development Board and volunteers with the Division of Conservation Resources Enforcement of the Department of Land and Natural Resources.

Mr. Maberry expressed to your Committee that he would like to continue serving as a member of the Hawaii Aerospace Advisory Committee by using his twenty-nine years of experience in the fields of astronomy and space surveillance to support the Committee's efforts. He would like to work toward the expansion and growth of Hawaii's economy through clean, high-tech sustainable aerospace related endeavors.

Your Committee finds that Mr. Maberry has the professional skills and expertise to assist the Hawaii Aerospace Advisory Committee in promoting opportunities to expand and diversify aerospace development and aerospace related opportunities in Hawaii.

#### MARK MCGUFFIE

Your Committee received testimony in support of the nomination of Mark McGuffie from the Department of Business, Economic Development, and Tourism.

Mr. McGuffie currently serves as the Managing Director of Enterprise Honolulu. As the Managing Director, Mr. McGuffie oversees a broad range of community-based initiatives related to clean and local energy generation, redevelopment of agriculture and food security, promotion of higher educational institutions, and diversified technology industries.

Mr. McGuffie is currently an interim appointee to the Hawaii Aerospace Advisory Committee. He also serves on the Boards of the Hawaii Science and Technology Institute and Economic Development Alliance Hawaii.

Mr. McGuffie expressed to your Committee that he would like to be a strong advocate for aerospace in Hawaii by forging new relationships and highlighting the important role that aerospace plays now and for the future of Hawaii.

Your Committee finds that Mr. McGuffie's background and active involvement with aerospace initiatives will help him to continue contributing his valuable perspective of aerospace related industries to the Hawaii Aerospace Advisory Committee.

#### PETER MOUGINIS-MARK

Your Committee received testimony in support of the nomination of Peter Mouginis-Mark from the Department of Business, Economic Development, and Tourism.

Mr. Mouginis-Mark received his Doctorate of Philosophy and Bachelor of Science in Environmental Sciences from Lancaster University. He received a Certificate in Education from Keele University. Mr. Mouginis-Mark is also a recipient of the Antarctic Service Medal from the National Science Foundation.

Mr. Mouginis-Mark currently serves as Director of the University of Hawaii at Manoa Sustainability Initiative, where he oversees numerous space research and educational activities. He also serves on the Hawaii Aerospace Advisory Committee as an interim appointee.

Mr. Mouginis-Mark expressed to your Committee that he would like to continue his service on the Hawaii Aerospace Advisory Committee and work toward a greater recognition for the Hawaii Space Flight Laboratory within the State.

Your Committee finds that Mr. Mouginis-Mark's professional experience, which includes thirty-six years working on National Aeronautics and Space Administration (NASA) research projects and thirty years working at the University of Hawaii, qualifies him to continue serving on the Hawaii Aerospace Advisory Committee.

#### ELLIOT PULHAM

Your Committee received testimony in support of the nomination of Elliot Pulham from the Department of Business, Economic Development, and Tourism.

Mr. Pulham studied at the University of Hawaii at Manoa and at Hilo. Mr. Pulham served in the United States Army, where he was twice decorated.

Mr. Pulham is currently the Chief Executive Officer and Member of the Board of Directors of the United States Space Foundation, dba The Space Foundation. Under his leadership, The Space Foundation has moved to the forefront of teacher training, professional development, and innovative student programs for thousands of teachers and their students around the world; trade show and conference management for the \$257,000,000,000 industry; and informing policy at the local, state, federal, and international levels.

Mr. Pulham received the rarely awarded Rotary National Award for Space Achievement Space Communicator Award for his unique and diverse contributions to the public's awareness and understanding of our nation's space programs.

Mr. Pulham expressed to your Committee that he believes that aerospace is the strongest possible avenue for creating industries that innovate, inspire, and provide the highest paying jobs for the people of Hawaii.

Your Committee finds that Mr. Pulham is recognized as one of the leading authorities on the space industry and possesses valuable skills and experience for serving on the Hawaii Aerospace Advisory Committee.

#### PETER QUIGLEY

Your Committee received testimony in support of the nomination of Peter Quigley from the Department of Business, Economic Development, and Tourism.

Mr. Quigley received a Doctorate of Philosophy from Indiana University of Pennsylvania. He received his Master of Science and Bachelor of Arts degrees in English from California State University.

Mr. Quigley currently serves as the Associate Vice President of Academic Affairs for the University of Hawaii's Community College System. In this position, Mr. Quigley is responsible for academic program planning, evaluation and assessment, course and program articulation, regional accreditation, federal higher education and workforce development issues, and collaboration with external agencies.

Mr. Quigley spent twenty-two years as the Chair of the Department of Humanities and Social Science and Dean of Academics, and Professor at Embry Riddle Aeronautical University.

Mr. Quigley expressed to your Committee that he hopes to use his knowledge base and skill set to advance and grow the presence of aerospace and aviation business, job creation, research, education, and training in Hawaii.

Your Committee finds that Mr. Quigley's commitment to the fields of aviation and aerospace make him an invaluable member of the Hawaii Aerospace Advisory Committee.

#### DONALD STRANEY

Your Committee received testimony in support of the nomination of Donald Straney from the Department of Business, Economic Development, and Tourism.

Mr. Straney received a Doctorate of Philosophy in Zoology from the University of California, Berkeley. He received his Master of Science and Bachelor of Science degrees in Zoology from Michigan State University.

Mr. Straney currently serves as the Chancellor of the University of Hawaii at Hilo. He also serves on the University of Hawaii System International Committee and Complete College America State Team.

Mr. Straney previously served as the Dean of the College of Science and Professor of Biological Sciences at California State Polytechnic University.

As an administrator and educator at various universities for over thirty years, Mr. Straney has gained experience working with scientists, government agencies, public and private organizations, business leaders, and community representatives toward the establishment and improvement of degree and outreach programs and private-public collaborations to improve higher education and research.

Your Committee finds that Mr. Straney has the skills and experience to promote aeronautical science and research throughout the State as a member of the Hawaii Aerospace Advisory Committee.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

#### **SCRep. 856 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 575, 576, 577, 578, 579, and 650**

Recommending that the Senate advise and consent to the nominations of the following:

#### BOARD OF DIRECTORS OF THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS

G.M. No. 575 GEORGE ARIYOSHI, for a term to expire 6-30-2016;

G.M. No. 576 HENK ROGERS, for a term to expire 6-30-2014;

G.M. No. 577 HOYT DAVIDSON, for a term to expire 6-30-2015;

G.M. No. 578 JAMES KERAVALA, for a term to expire 6-30-2014;

G.M. No. 579 LEWIS PEACH, JR., for a term to expire 6-30-2015; and

G.M. No. 650 GALEN HO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds George Ariyoshi, Henk Rogers, Hoyt Davidson, James Keravala, Lewis Peach, Jr., and Galen Ho to possess the requisite qualifications to be nominated to the Board of Directors of the Pacific International Space Center for Exploration Systems (PISCES).

#### GEORGE ARIYOSHI

Your Committee received testimony in support of the nomination of George Ariyoshi from the Department of Business, Economic Development, and Tourism.

For the past two decades, Mr. Ariyoshi has served as Senior Advisor to the Japan-U.S. Science, Technology and Space Applications Program, which helped develop and implement PISCES.

Mr. Ariyoshi served as the Governor of Hawaii from 1974 to 1986. In 1985, Japan honored Mr. Ariyoshi with its highest award, the Grand Cordon of the Sacred Treasure. He also received Honorary Doctorates from six universities.

Mr. Ariyoshi served as the President of the Bar Association of Hawaii. Additionally, he is the Founder and former President of the Hawaii Bar Foundation, Pacific Basin Development Council, and Center for International Commercial Dispute Resolution. Mr. Ariyoshi also worked as an Of Counsel attorney with Watanabe Ing and Komeiji LLP.

Mr. Ariyoshi indicated in his personal statement that he plans to establish PISCES as a premier international center for the development, testing, validation, and implementation of innovative technologies that will enable pioneering robotic and human missions beyond low-Earth orbit. Mr. Ariyoshi further expressed that he hopes to inspire the next generation of scientists, engineers, educators, and entrepreneurs that will lead humanity to the frontiers of space.

Your Committee finds that Mr. Ariyoshi's extensive contacts with Hawaii and international business communities, as well as his familiarity with the State's political, scientific, and educational sectors, will enable him to mobilize the resources that will be required to expand and diversify PISCES operations.

#### HENK ROGERS

Your Committee received testimony in support of the nomination of Henk Rogers from the Department of Business, Economic Development, and Tourism.

Mr. Rogers received a Computer Science degree from the University of Hawaii at Manoa.

Mr. Rogers currently serves as President and Chief Executive Officer of Blue Planet Software, an intellectual property management firm that owns and manages computer games. He is perhaps best known for bringing the video game Tetris to the United States and world market. Mr. Rogers also works as an advisor to the University of Hawaii College of Engineering.

Mr. Rogers serves as the Chairman of Avatar Reality; Blue Planet Foundation; and SEE-IT, a science and technology showcase that encourages students to pursue a science, technology, engineering, and mathematics (STEM) career. Additionally, Mr. Rogers owns Pu'u Wa'awa'a Ranch, an executive retreat that is becoming a model for sustainability and restoration of native Hawaiian flora.

Mr. Rogers expressed to your Committee that he is very passionate about space exploration and colonization. Mr. Rogers believes that bringing the space exploration business to Hawaii will create a high pay technology sector, which will strengthen the State's economy.

Your Committee finds that Mr. Rogers' background in running technology companies, as well as his contacts with the National Aeronautics and Space Administration (NASA) and other space agencies will be useful for inspiring and motivating engineers, politicians, and members of the public to participate in the PISCES program.

#### HOYT DAVIDSON

Your Committee received testimony in support of the nomination of Hoyt Davidson from the Department of Business, Economic Development, and Tourism and three individuals.

Mr. Davidson received a Master of Business Administration degree in Management/Finance and a Bachelor of Science degree in Physics from the Massachusetts Institute of Technology.

Mr. Davidson is the Founder and Managing Partner of Near Earth LLC, a company that specializes in strategic and financial consulting for corporations and institutional investors, mergers and acquisitions, and equity private placements. Prior to this position, Mr. Davidson served as the Managing Director of the Telecommunications Group for Investment Banking at Credit Suisse First Boston.

Before his more recent professional endeavors, Mr. Davidson was the Co-Founder and Managing Director for the Space Finance Group of Donaldson, Lufkin, and Jenrette. He also worked as the Senior Research Engineer for Lockheed Missiles and Space Company.

Through his work with Near Earth LLC, Mr. Davidson has advised the NASA Office of Chief Technologist on space commercialization matters. He has also supported and raised capital for several space exploration related initiatives.

Mr. Davidson is the recipient of the National Space Society's Space Finance Award for significant contributions to the space community.

Mr. Davidson expressed to your Committee that supporting and enabling space exploration has been his lifetime passion and career. He believes that the creation of a center of excellence like PISCES is a unique opportunity for entrepreneurs, companies, and space agencies from around the world to develop and test new technologies and systems on terrain that matches extra-terrestrial surfaces.

Your Committee finds that Mr. Davidson's sophisticated blend of technical and financial skills, as well as his continuing commitment to space exploration, will be important assets to the Board.

#### JAMES KERAVALA

Your Committee received testimony in support of the nomination of James Keravala from the Department of Business, Economic Development, and Tourism.

Mr. Keravala received a Master of Science degree in Level Modules Spacecraft Engineering from Surrey University. He received a Bachelor of Science degree with honors in Physics from the Birkbeck College of London University. Mr. Keravala is also a graduate of the International Space University.

Mr. Keravala is currently the Co-Founder and Chief Operating Officer of the Shackleton Energy Company and serves on the faculty of Singularity University. Mr. Keravala is the founder of StellarBrain and a delegate to IDEAS Think Tank.

Mr. Keravala's professional experience also includes serving as the Co-Founder and Chief Operating Officer of United Business Media, PLC; Chief Executive Officer Mentor of Space Awareness Services; Chief Executive Officer of the Space Project Leadership of Transplanetary Limited; Launch Services Manager of Surrey Satellite Technology Limited; and Director of Commercial Space Technologies.

Mr. Keravala indicated in his personal statement that he has a deep understanding of the opportunities open to PISCES, as well as extensive ideas about how PISCES can serve the community. Mr. Keravala stated that he has constant and extensive contact with the international space community and will continue to promote PISCES to ensure the participation of as many industrial partners as possible.

Your Committee finds that Mr. Keravala is qualified to serve on the Board due to his extensive experience with spacecraft systems, launch, operations, and international logistics.

LEWIS PEACH, JR.

Your Committee received testimony in support of the nomination of Lewis Peach, Jr., from the Department of Business, Economic Development, and Tourism.

Mr. Peach pursued his graduate studies in Aero-Astro Engineering at Stanford University. He received a Bachelor of Science degree in Engineering Science and Mechanics from Virginia Polytechnic Institute and State University.

Mr. Peach currently serves as a Senior Advisor/Consultant to NASA and the Partnership Outreach Manager for NASA's Academy of Program/Project and Engineering Leadership.

Previously, Mr. Peach served as the Vice President and Chief Engineer for Exploration and Technology at the Universities Space Research Association. Mr. Peach also served as Director of Advanced Projects in NASA's Office of Space Flight, where he was responsible for advanced technology development and space flight projects, and Director of Advanced Programs in NASA's Office of Space Systems Development, where he was responsible for the development of advanced technology to meet NASA's future space transportation requirements.

Mr. Peach indicated in his personal statement that he believes that PISCES will play a role in the human exploration and development of space, which will not only inspire future engineers and scientists, but will contribute to long term health and well-being, economic prosperity, and international collaboration.

Your Committee finds that Mr. Peach's vast knowledge and experience, including his key leadership positions at NASA, will be great assets to the Board.

GALEN HO

Your Committee received testimony in support of the nomination of Galen Ho from the Department of Business, Economic Development, and Tourism.

Mr. Ho performed his graduate studies at Ohio State University. He received a Bachelor of Science degree in Electrical Engineering from Oregon State University.

Mr. Ho is currently the President of Galen Enterprise LLC. Previously, Mr. Ho served as President of BAE Systems' Information and Electronic Systems Integration Sector.

Mr. Ho served as an officer in the United States Air Force, where he received the Vietnam Combat Service and Air Force Meritorious Service Medals.

Mr. Ho indicated in his personal statement that he has a special interest in developing a PISCES prototype site for a lunar robotic program. Mr. Ho hopes to help PISCES progress their program to actual operations and involve his network of aerospace contacts on the U.S. mainland to leverage the program.

Your Committee finds that with more than thirty-seven years of defense and aerospace experience, Mr. Ho has the professional skills and background required to serve on the PISCES Board of Directors.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 857 Higher Education on Gov. Msg. No. 635**

Recommending that the Senate advise and consent to the nomination of the following:

WESTERN INTERSTATE COMMISSION FOR HIGHER EDUCATION

G.M. No. 635 FRANCISCO HERNANDEZ, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Francisco Hernandez to possess the requisite qualifications to be nominated to the Western Interstate Commission for Higher Education.

Your Committee received testimony in support of the nomination of Francisco Hernandez from the Governor and seven 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 served as a member of the Executive Committee of the Western Interstate Commission on Higher Education Cooperative for Educational Technologies, which is one of the Western Interstate Commission on Higher Education's major programs, and was previously appointed by the Governor of California to serve on the Western Interstate Commission on Higher Education for

California. 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 and commitment to the education of Hawaii's youth will make him a great asset to the Western Interstate Commission for Higher Education.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 858 Higher Education on Gov. Msg. No. 630**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

G.M. No. 630 RAYNARD SOON, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Raynard Soon to possess the requisite qualifications to be nominated to the Board of Directors of the Research Corporation of the University of Hawaii.

Your Committee received testimony in support of the nomination of Raynard Soon from the Governor and three individuals.

Your Committee finds that Mr. Soon received a Bachelor's degree in City and Regional Planning from the University of Hawaii at Manoa. He received a Master's degree in City Planning from Harvard University.

Mr. Soon spent nine years as a planner with the State and private entities. He then went on to co-found Hawaii Opinion, now known as The OmniTrak Group, a market research and planning firm.

Mr. Soon also served as the Director of Land Development and Land Management and Director of the Temporary Development Assistance Group at the Department of Hawaiian Home Lands. From 1999 through 2003, Mr. Soon served as the Chairman of the Hawaiian Homes Commission and Director of the Department of Hawaiian Home Lands.

Mr. Soon is currently the President of Solutions Pacific and is a private consultant taking on strategic planning projects using the skills he has developed over the years.

Mr. Soon's varied professional background will make him an excellent addition to the Board of Directors of the Research Corporation of the University of Hawaii. Mr. Soon's wealth of knowledge and exceptional leadership experience will greatly benefit the Board and assist it in further supporting the research and long-term development of the University of Hawaii System and the State.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 859 Commerce and Consumer Protection on H.B. No. 423**

The purpose and intent of this measure is to repeal the sunset date of Act 120, Session Laws of Hawaii 2009, which requires transactions regarding fee simple interests in time shares to be recorded in the Bureau of Conveyances and provides a mechanism for transferring the registration from the Land Court System to the Bureau of Conveyances.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; American Resort Development Association Hawaii; SVO Pacific, Inc.; Wyndham Vacation Ownership; and one individual. Your Committee received comments on this measure from the Hawaii State Judiciary.

Your Committee finds that Act 120, Session Laws of Hawaii 2009, deregistered fee simple time share transactions from the Land Court system and established a procedure to move these transactions to the regular system in the Bureau of Conveyances.

Your Committee further finds that the number of owners of a fee simple time share range from hundreds to thousands, with each owner holding a percentage interest in the time share property. The removal of fee simple time share transactions from the Land Court has eliminated the need to issue a certificate of title for each fee simple time share unit for each owner, has significantly streamlined the registration process for fee simple time share interests, and has eased the backlog of recordings at the Land Court. Repealing the applicable sunset provision of Act 120, Session Laws of Hawaii 2009, as provided by this measure, will therefore permanently establish the streamlined process and ease the backlog of registering fee simple time share interests in the Land Court system.

As affirmed by the record of votes of the members of 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. 423, 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 (Nishihara, Taniguchi, Wakai).

**SCRep. 860 Commerce and Consumer Protection on H.B. No. 998**

The purpose and intent of this measure is to permanently prohibit private transfer fees by eliminating the sunset date of Act 169, Session Laws of Hawaii 2010.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS.

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 if left unregulated, private transfer fees may be misused or 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 2011, thirty-six states had 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 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 H.B. No. 998, 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 (Nishihara, Taniguchi, Wakai).

**SCRep. 861 Water and Land on Gov. Msg. No. 668**

Recommending that the Senate advise and consent to the nomination of the following:

KAHANA VALLEY LIVING PARK PLANNING COUNCIL

G.M. No. 668 BENJAMIN SHAFER, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Benjamin Shafer to possess the requisite qualifications to be nominated to the Kahana Valley Living Park Planning Council.

Your Committee received testimony in support of the nomination of Benjamin Shafer from the Department of Land and Natural Resources and one individual.

Benjamin Shafer is the President of the Friends of Kahana, a non-profit organization, which is presently working on the restoration of Huilua Fishpond and restoration of the Koa Canoe in Kahana. He also has served with the Kahana Planning Council and Kahana Advisory Committee, among other community organizations.

Mr. Shafer previously served on the Kahana Valley Living Park Planning Council from 2009 to 2011 and currently serves as Chair of the Council. According to testimony, Mr. Shafer has supported and been actively engaged in interpretive activities to enhance the cultural enrichment of visitors to the Ahupua'a 'O Kahana State Park. Your Committee finds that Mr. Shafer's knowledge, experience, and dedication to Hawaiian cultural values and practices qualify him for reappointment to the Kahana Valley Living Park Planning Council.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ihara).

**SCRep. 862 Water and Land on Gov. Msg. No. 669**

Recommending that the Senate advise and consent to the nomination of the following:

LEGACY LAND CONSERVATION COMMISSION

G.M. No. 669 LORI BUCHANAN, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lori Buchanan to possess the requisite qualifications to be nominated to the Legacy Land Conservation Commission.

Your Committee received testimony in support of the nomination of Lori Buchanan from the Department of Land and Natural Resources, Department of Agriculture, Coordinating Group on Alien Pest Species, Kauai Invasive Species Committee, The Nature Conservancy, East Maui Watershed Partnership, and six individuals.

Lori Buchanan currently is a member of the Legacy Land Conservation Commission. She also works as the Molokai/Maui Invasive Species Committee's Field and Outreach Coordinator and is Chairperson of the Molokai Planning Commission. Her interests are in federal, state, and county land use planning, as well as the flora and fauna of Hawaii.

Ms. Buchanan's contribution to the protection of Hawaii's natural resources is evident on multiple islands. According to testimony, her tireless work through the Molokai/Maui Invasive Species Council and the Big Island Invasive Species Council has been instrumental in combating invasive species in Hawaii. Your Committee finds that Ms. Buchanan's experience, dedication to conservation and land protection, and excellent reputation and leadership skills qualify her for reappointment to the Legacy Land Conservation Commission.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ihara).

**SCRep. 863 Commerce and Consumer Protection on H.B. No. 424**

The purpose and intent of this measure is to authorize the Governor to appoint commissioners of deeds to take acknowledgments, proofs of execution, or oaths in specified jurisdictions related to the conveyance of timeshare properties located within the State.

Your Committee received testimony in support of this measure from the American Resort Development Association Hawaii; SVO Pacific, Inc.; Disney Vacation Development, Inc.; and Wyndham Vacation Ownership.

Your Committee finds that deeds of timeshare interests in Hawaii timeshare plans must be notarized in order to be recordable. Although this is not typically a problem for deeds signed in Hawaii or in other states, it can pose a problem in jurisdictions outside of the United States in which notaries public are not common. This measure helps streamline the process for consumers who are located abroad and wish to purchase a timeshare property in Hawaii by authorizing the Governor to appoint commissioners of deeds. This measure permits a commissioner of deeds to take acknowledgements and proofs of execution of a consumer's signature on all necessary paperwork and enables the document to be properly recorded in accordance with Hawaii law.

Your Committee notes that the companion to this measure, S.B. No. 914, S.D. 1, which was previously passed by the Senate, contains additional language that offers greater consumer protections for consumers who wish to purchase a timeshare property in Hawaii. S.B. No. 914, S.D. 1, requires a commissioner of deeds to provide consumers a written notice of legal rights, establishes bonding requirements for commissioners of deeds, and specifies liabilities and limitations on liabilities for commissioners of deeds. Your Committee additionally finds that the language in S.B. No. 914, S.D. 1, is preferable because of these additional consumer protections and will better facilitate the sale of timeshare units located in Hawaii and benefit Hawaii properties and businesses.

Your Committee also notes that the Department of Commerce and Consumer Affairs and representatives from the timeshare industry have recommended an amendment to the written notice of legal effect provided to consumers in S.B. No. 914, S.D. 1.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 914, S.D. 1, a substantively similar measure, which:
  - (A) Creates a new chapter to authorize the governor to appoint commissioners of deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to a timeshare interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within the State;
  - (B) Requires written notice to be provided to consumers; and
  - (C) Establishes bonding requirements, penalties, and liabilities for commissioners of deeds; and
- (2) Further amending the measure by clarifying the written notice of legal effect provided to 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. 424, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 424, 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 (Nishihara, Taniguchi, Wakai).

**SCRep. 864 Commerce and Consumer Protection on H.B. No. 1150**

The purpose and intent of this measure is to exempt an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim from the application of section 523A-25, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Collection Law Section of the Hawaii State Bar Association.

Your Committee finds that Act 229, Session Laws of Hawaii 2012, limited compensation for the recovery of property presumed abandoned to ten percent of the total value of the property. Your Committee further finds that the majority of property held by the Department of Budget and Finance is valued at less than \$5,000. If any difficulties are encountered when attempting to release property from the Department of Budget and Finance, the cost for the claimant to hire an attorney in the majority of unclaimed property cases will increase beyond the ten percent limit rather quickly. The ten percent limit on compensation for recovery therefore creates a barrier for members of the public who wish to hire an attorney to assist with the recovery of unclaimed funds or property.

Your Committee notes that the Senate companion to this measure, S.B. No. 1265, S.D. 1, which was previously passed by the Senate, contains language that increases the limit on compensation for attorneys to twenty-five percent of the total value of the property, rather than completely removing the limit on compensation. Your Committee additionally finds that the language in S.B. No. 1265, S.D. 1, is preferable because it ensures that members of the public are still able to retain attorneys to handle the claims process, while also ensuring that attorneys' fees for this process remain at reasonable levels.

Your Committee has heard testimony that a twenty-five percent limit on compensation for attorneys may prohibit certain clients from recovering unclaimed funds or property. Although your Committee appreciates that there may be difficulties or complexities that arise during the claims process, your Committee is concerned by the notion that an attorney who has been working with a client to



recover the client's funds or property will reach the twenty-five percent limit on compensation and cease assisting the client. Nevertheless, your Committee finds there is merit in allowing judicial discretion to approve owner's agreements with attorneys that provide for compensation that exceeds twenty-five percent, if the agreement is with an attorney to maintain an action in Circuit Court.

Accordingly, your Committee has amended this measure by:

- (1) Replacing its contents with the contents of S.B. No. 1265, S.D. 1, a substantively similar measure, which exempts an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim from the application of section 523A-25, Hawaii Revised Statutes; provided that an owner's agreement with an attorney that provides for compensation shall not exceed twenty-five percent of the total value of the property and inserts an effective date of July 1, 2050; and
- (2) Further amending the measure by:
  - (A) Specifying that an owner's agreement with an attorney to maintain an action in Circuit Court under section 523A-16, Hawaii Revised Statutes, may provide for compensation that exceeds twenty-five percent of the total value of the property only upon approval of the court; and
  - (B) Making 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. 1150, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1150, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Taniguchi, Wakai).

**SCRep. 865      Agriculture on H.B. No. 353**

The purpose and intent of this measure is to appropriate funds to the coffee berry borer task force to fund efforts to control and mitigate the damage from the coffee berry borer infestation in Hawaii.

Your Committee received testimony in support of this measure from the Department of Agriculture; County of Hawaii Department of Research and Development; Hawaii Farm Bureau Federation; Ka'u Farm Bureau; Hawaii Coffee Growers Association; Hawaii Coffee Association; Seven Stars Coffee; Kona Coffee Council; Jasminum Farms; Greenwell Farms, Inc.; Heavenly Hawaii Farms; and eleven individuals. Your Committee received testimony in opposition to this measure from the University of Hawaii at Manoa Kona Cooperative Extension Service; Hawaii Farmers Union United; Kona County Farm Bureau; Green Gecko Coffee Farm; Kula Coffee & Pottery, LLC; Kanalani Ohana Farm; Daily Fix Coffee, Co.; Kona Coffee Farmers Association; Lyman Kona Coffee Farms; Kona View Coffee; Mama's Kona Coffee; Konaloha Farms; Aina Na Hoku Kai Farm; Kona RainForest Coffee; Blue Corner Coffee Farm; Mountain Tree Farms Coffee Farm; Dysart Farms; Athena of Hawai'i Coffee, LLC; Langenstein Farms, Inc.; Paradise Found Farm; Moonstruck Organics; Kahauloa Iki Farm; Luther Coffee Farm; Hala Tree Coffee Plantation; Eldawi Farms; Smith Farms; Honu Kula Coffee Farm; and seven individuals.

Your Committee finds that the coffee berry borer has infested coffee crops in the Kona and South Kona regions of the island of Hawaii. The coffee berry borer infestation threatens to dismantle Hawaii's entire coffee industry.

Your Committee further finds that it is imperative that immediate action be taken to develop methods to combat the coffee berry borer and to mitigate the future impact to other coffee-producing regions in the State.

Your Committee has amended this measure by:

- (1) Reinserting language from the original version of this measure as introduced, which makes an appropriation from the agricultural development and food security special fund in the amount of \$500,000 for fiscal years 2013-2014 and 2014-2015 to the United States Pacific Basin Agricultural Research Center to research and develop methods for the prevention and treatment of coffee berry borer infestations and names the Department of Agriculture as the expending agency;
- (2) Changing the source, amount, and year of the appropriation to the coffee berry borer task force from the agricultural development and food security special fund to the general fund; from \$300,000 to \$330,000; and from fiscal year 2014-2015 to fiscal year 2013-2014, respectively;
- (3) Naming the University of Hawaii rather than the Department of Agriculture as the expending agency for the sums appropriated to the coffee berry borer task force;
- (4) Inserting an effective date of July 1, 2013; 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. 353, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 353, 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 (Dela Cruz, Slom).

**SCRep. 866      Agriculture on H.B. No. 1388**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Sunrise Capital, Inc., in the planning, design, and construction of a two-phase project to help protect its shrimp hatchery facility.

Your Committee received testimony in support of this measure from the Department of Agriculture. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that shoreline erosion is threatening Sunrise Capital, Inc.'s shrimp hatchery on the island of Kauai. This measure will authorize the issuance of special purpose revenue bonds to help Sunrise Capital, Inc., which is the second largest supplier of disease-free shrimp breeding stock in the State, to protect its hatchery.

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. 1388, 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 (Dela Cruz, Slom).

**SCRep. 867 (Joint/Majority) Commerce and Consumer Protection and Water and Land on H.B. No. 760**

The purpose and intent of this measure is to provide the opportunity for persons renting cars in Hawaii to make a voluntary contribution to the Department of Land and Natural Resources to preserve and protect the environment.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Historic Hawai'i Foundation; Sierra Club, Hawai'i Chapter; The Nature Conservancy of Hawai'i; Conservation Council for Hawai'i; Land Use Research Foundation; and two individuals. Your Committees received testimony in opposition to this measure from EAN Holdings, LLC.

Your Committees find that Hawaii's unique environment is a critical component of Hawaii's tourism-based economy. Numerous studies in Hawaii and abroad have indicated that visitors to areas of natural beauty and importance are willing to contribute financially to maintaining the environmental quality of these areas.

Your Committees further find that check-offs are used in thirty-six states to provide funding for conservation programs. This measure includes an option to the lessee in a motor vehicle agreement to contribute a sum to the Department of Land and Natural Resources for the preservation of the environment, with any such contributions deposited equally into the natural area reserve fund and the land conservation fund. Your Committees additionally find that these funds help protect and restore Hawaii's natural areas, thus providing the dual benefit of ensuring a fully functioning water supply and preserving essential cultural and natural resources that are unique to Hawaii.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 760, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 760, 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.  
Commerce and Consumer Protection  
Ayes, 3. Noes, 1 (Slom). Excused, 3 (Nishihara, Taniguchi, Wakai).  
Water and Land  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Ihara).

**SCRep. 868 Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 3**

The purpose and intent of this measure is to encourage Congress and the President of the United States to re-state that the federal Uniform Controlled Substances Act, which restricts the production, possession, and use of marijuana, does not prohibit the production of industrial hemp.

Your Committee received testimony in support of this measure from Alexander and Baldwin, Inc.; American Civil Liberties Union of Hawaii; Natural Cancer Wellness Foundation; Life of the Land; and four individuals.

Your Committee finds that the legislative history of the Marijuana Tax Act of 1937 indicates that Congress never intended to prohibit the production of industrial hemp. Industrial hemp is one of the most versatile, productive, and useful fiber plants. Furthermore, industrial hemp is part of a growing trend to transform agricultural crops into new products that are economically and environmentally sound. Your Committee finds that the production of industrial hemp in Hawaii would provide an economic stimulus for the local production of various products including food, medicine, clothing, rope, carpet, upholstery, lumber, and other construction and industrial materials.

Your Committee has amended this measure by:

- (1) Making a technical, nonsubstantive amendment to the title; and
- (2) 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 3, as amended herein, and recommends that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as H.C.R. No. 3, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 869 Water and Land on S.C.R. No. 20**

The purpose and intent of this measure is to submit to the Legislature by concurrent resolution review of action taken by the Board of Land and Natural Resources approving in principle a land exchange between the State and Hawaii Baptist Academy.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and Hawaii Baptist Academy. Your Committee received testimony in opposition to this measure from two individuals.

The land exchange is between the State and Hawaii Baptist Academy, a nonprofit corporation, which was approved in principle by the Board of Land and Natural Resources at its meeting on October 24, 2008, under agenda item D-13, as amended at its meeting on August 10, 2012, under agenda item D-9.

As affirmed by the record of votes of the members of your Committee on Water and Land 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. Noes, none. Excused, 1 (Ihara).

**SCRep. 870 Water and Land on S.C.R. No. 21**

The purpose and intent of this measure is to seek the approval of the Legislature by concurrent resolution of a Board of Land and Natural Resources action approving a land exchange and sale of property involving five parcels situated at Kahananui, Molokai.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

The proposed land exchange and sale stem from a quiet title and partition action filed in 1992 involving five parcels of land on Molokai. The State was named as a defendant in the action. Stipulated judgments were reached in 1996 and 1997 to resolve the title and partition claims. Pursuant to the stipulated judgments, two of the parcels are to be conveyed to the State, one parcel is to be conveyed to the four families involved in the litigation, and two parcels are to be sold, with the proceeds split 39.89 percent to the State, and 60.11 percent to the remaining parties. Based on a 1996 appraisal, the combined value the State is to receive under this arrangement is more than the one-half interest that the State has in all the parcels. These values comply with section 171-50, Hawaii Revised Statutes. The Board of Land and Natural Resources approved the exchange and sale at its meeting of June 8, 2012, under agenda item D-11.

In regard to the parcels that the State is acquiring under this stipulated judgment, specifically the parcels with tax map keys: (2) 5-6-06:14 and (2) 5-6-03:12, your Committee wishes to emphasize its intention is to have those parcels retain their public land trust status pursuant to section 5(f) of the Hawai'i Admission Act.

As affirmed by the record of votes of the members of your Committee on Water and Land 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. Noes, none. Excused, 1 (Ihara).

**SCRep. 871 Water and Land on S.C.R. No. 22**

The purpose and intent of this measure is to seek the approval of the Legislature by concurrent resolution of a Board of Land and Natural Resources action for the maintenance and repair of an existing seawall, and for use, maintenance, and repair of the existing improvements constructed thereon, located at Kaalaea, Koolaupoko, Oahu.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

This measure authorizes the Department 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: (1) 4-7-024:seaward of 022, Kaalaea, Koolaupoko, Oahu, for the maintenance and repair of the existing seawall, and for use, maintenance, and repair of the existing improvements constructed thereon pursuant to section 171-53, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water and Land 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. Noes, none. Excused, 1 (Ihara).

**SCRep. 872 Water and Land on S.C.R. No. 23**

The purpose and intent of this measure is to seek the approval of the Legislature by concurrent resolution of a Board of Land and Natural Resources action to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Kaneohe, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, seawall, and landscaping area, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

This measure authorizes the Department 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: (1) 4-4-037: seaward of 033, Kaneohe, Koolaupoko, Oahu, for the maintenance and repair of the existing pier, seawall, and landscaping area, and for use, maintenance, and repair of the existing improvements constructed thereon pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 23, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 873 Water and Land on S.C.R. No. 40**

The purpose and intent of this measure is to authorize the issuance of a perpetual, non-exclusive easement covering a portion of state submerged lands at Kapahulu, Honolulu, Oahu, for the maintenance and repair of the existing seawall and steps.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Outrigger Enterprises.

This measure authorizes the Board of Land and Natural Resources to issue a perpetual, non-exclusive easement covering a portion of state submerged lands fronting the property identified as Tax Map Key: (1) 3-1-038: seaward of 042, Kapahulu, Honolulu, Oahu, for use, maintenance, and repair of the existing seawall and steps, and for use, repair, and maintenance of the existing improvements constructed thereon pursuant to section 171-53, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 40 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, 1 (Ihara).

**SCRep. 874 Water and Land on S.C.R. No. 46**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Lanikai, Koolaupoko, Oahu, for seawall and revetment purposes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

This measure authorizes the Board of Land and Natural Resources to issue a term, non-exclusive easement covering a portion of state submerged lands identified as tax map key (1) 4-3-005: seaward of 56, at Lanikai, Koolaupoko, Oahu, for seawall and revetment purposes.

Your Committee has amended this measure by:

- (1) Making a technical, nonsubstantive amendment to correct a typographical error in the title; and
- (2) 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 Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 46, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 46, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

**SCRep. 875 Transportation and International Affairs on S.R. No. 31**

The purpose and intent of this measure is to urge the Governor; Department of Business, Economic Development, and Tourism; Board of Regents of the University of Hawai'i; Board of Education; and Hawai'i's Congressional delegation to strengthen the sister-state relationship with Taiwan in commemoration of the twentieth anniversary of the sister-state relationship between Hawai'i and Taiwan.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Taipei Economic and Cultural Office; and Chinese Chamber of Commerce of Hawaii.

Your Committee finds that Taiwan and the United States have long enjoyed a cordial friendship based on shared common interests in promoting peace, stability, and prosperity in the Asia-Pacific region. Taiwan is one of the United States' most important economic and security partners in Asia.

Hawai'i officially established a sister-state relationship with Taiwan in 1993, but an economic relationship was already established before then. Over the years, there have been few overseas locations with more cultural and economic activity than Taiwan, including business missions, educational and special promotional fairs, cultural exchanges, investor seminars, media productions, and gubernatorial visits. Furthermore, Hawai'i and Taiwan have rich and diverse cultural backgrounds, since Taiwan's indigenous people and the native Hawaiians are part of the Austronesian culture ring.

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

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 31, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 31, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Espero, Gabbard, Slom).

**SCRep. 876      Transportation and International Affairs on S.C.R. No. 61**

The purpose and intent of this measure is to urge the Governor; Department of Business, Economic Development, and Tourism; Board of Regents of the University of Hawai'i; Board of Education; and Hawai'i's Congressional delegation to strengthen the sister-state relationship with Taiwan in commemoration of the twentieth anniversary of the sister-state relationship between Hawai'i and Taiwan.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Taipei Economic and Cultural Office; and Chinese Chamber of Commerce of Hawaii.

Your Committee finds that Taiwan and the United States have long enjoyed a cordial friendship based on shared common interests in promoting peace, stability, and prosperity in the Asia-Pacific region. Taiwan is one of the United States' most important economic and security partners in Asia.

Hawai'i officially established a sister-state relationship with Taiwan in 1993, but an economic relationship was already established before then. Over the years, there have been few overseas locations with more cultural and economic activity than Taiwan, including business missions, educational and special promotional fairs, cultural exchanges, investor seminars, media productions, and gubernatorial visits. Furthermore, Hawai'i and Taiwan have rich and diverse cultural backgrounds, since Taiwan's indigenous people and the native Hawaiians are part of the Austronesian culture ring.

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

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 61, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 61, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Espero, Gabbard, Slom).

**SCRep. 877      (Joint) Water and Land and Tourism and Hawaiian Affairs on H.B. No. 941**

The purpose and intent of this measure is to amend the composition of the Natural Area Reserves System Commission by adding a member possessing a background in Native Hawaiian traditional and customary practices and removing the Superintendent of Education as a member.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and Association of Hawaiian Civic Clubs.

The natural area reserves program carries out vital parts of the State's responsibility to conserve, protect, and manage our natural and cultural resources, and specifically works to preserve representative samples of Hawaii's diverse biological systems for study. The Natural Area Reserves Commission consists of experts in various fields of environmental science, as well as representatives from the hiking and hunting communities, to provide recommendations as to the selection and treatment of areas to be included in the natural area reserves program.

Your Committees find that despite its broad representative knowledge from the scientific and outdoor recreational communities, the Commission currently lacks a member specifically qualified to provide insight as to the cultural value and significance of existing and potential future reserves or the many cultural resources they may contain. This may lead to inefficiencies or oversights, particularly given the responsibilities of all state agencies to protect and enforce the rights of Native Hawaiians and to fulfill the State's interest in perpetuating Native Hawaiian culture and cultural values.

As affirmed by the records of votes of the members of your Committees on Water and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 941, 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.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Keith-Agaran, Slom).

**SCRep. 878      Human Services on H.B. No. 868**

The purpose and intent of this measure is to eliminate the asset limit for the Temporary Assistance for Needy Families program.

Your Committee received testimony in support of this measure from the Department of Human Services; Office of Hawaiian Affairs; Office of Community Services; Hawaii State Commission on the Status of Women; Hawaii State Democratic Women's

Caucus; University of Hawaii Bridge to Hope; American Civil Liberties Union of Hawaii; Catholic Charities Hawaii; Goodwill Industries of Hawaii, Inc.; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Legal Aid Society of Hawaii; Hawaii Women's Coalition; and one individual.

Your Committee finds that asset limits are intended to target public dollars to our neediest and most vulnerable populations. However, asset limits have an unintended consequence in that they provide an incentive for individuals to divest themselves of assets and a disincentive to accumulate assets. This is problematic, as families need assets to escape poverty and become self-sufficient.

Your Committee further finds that financial savings and asset accumulation enable our neediest families to maintain a safety net for self-sufficiency, prevent job loss, and avoid a return to public assistance. At the same time, families would have an opportunity to build assets toward retirement, which would lessen their dependence on government assistance as they age. Also, several states, such as Alabama, Louisiana, Maryland, Ohio, and Virginia, have completely eliminated their asset limits for Temporary Assistance for Needy Families programs, which has resulted in little to no change in caseload and reduced administrative costs.

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. 868, and recommends that 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 (Taniguchi, Slom).

**SCRep. 879 Human Services on H.B. No. 872**

The purpose and intent of this measure is to make an emergency appropriation for fiscal year 2012-2013 out of the nursing facility sustainability program special fund to be used in accordance with the authorized purposes of the nursing facility sustainability program special fund, including the reimbursement of monies advanced for those purposes in fiscal year 2012-2013 from the health care payments program.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Long Term Care Association, Hawaii Health Systems Corporation, Healthcare Association of Hawaii, and Pearl City Nursing Home.

Your Committee finds that the nursing facility sustainability program special fund was established by Act 156, Session Laws of Hawaii 2012, to help fund increasing health care costs for Medicaid enrollees in private nursing facilities. However, because of a technical omission, monies in the special fund could not be expended as intended. Instead, monies from the health care payments program were used to make supplemental payments to nursing facilities so that payments would not be delayed.

Accordingly, your Committee finds that this emergency appropriation is necessary to reimburse the monies advanced from the health care payments program and to continue to make timely supplemental payments to nursing facilities from the nursing facility sustainability program special fund for the rest of the fiscal year.

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. 872, and recommends that 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 (Taniguchi, Slom).

**SCRep. 880 Human Services on H.B. No. 880**

The purpose and intent of this measure is to continue the nursing facility sustainability program by:

- (1) Extending the sunset date of Act 156, Session Laws of Hawaii 2012; and
- (2) Appropriating funds for the program for fiscal year 2013-2014.

Your Committee received testimony in support of this measure from the Department of Human Services, Hawaii Long Term Care Association, Hawaii Health Systems Corporation, Hale Makua Health Services, Healthcare Association of Hawaii, Pearl City Nursing Home, and three individuals.

Your Committee finds that the nursing facility sustainability program leverages available federal funding for the Department of Human Services to make supplemental payments to nursing facilities to help offset their uncompensated care costs, thereby promoting the sustainability of long-term care facilities in the State. This measure will benefit Hawaii residents by enabling nursing facilities to continue to provide much needed long-term care services.

Your Committee has amended this measure by inserting an effective date of June 29, 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. 880, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 880, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 881 Human Services on H.B. No. 986**

The purpose and intent of this measure is to increase the monthly board rate distributed by the Department of Human Services for foster care services for children.

Your Committee received testimony in support of this measure from the Department of Human Services, Catholic Charities Hawaii, Hawaii Youth Services Network, Family Programs Hawaii, and nine individuals.

Your Committee finds that the Department of Human Services has not raised the monthly board rate for foster care services since 1990. The current monthly board rate in Hawaii of \$529 for all children regardless of age is insufficient, due to increased costs for food, housing, utilities, clothing, and other necessities.

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. 986, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 882 Human Services on H.B. No. 1375**

The purpose and intent of this measure is to:

- (1) Establish a task force that shall develop a restructured welfare payment system; and
- (2) Re-establish and fund the exit and retention bonus program to encourage welfare recipients to transition back into the workforce.

Your Committee received testimony in support of this measure from the University of Hawaii Bridge to Hope, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, and one individual. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that people living below the poverty line are especially hard hit in Hawaii. A family of four in Hawaii pays sixty-one percent more for food than families on the mainland. The cost for housing in Hawaii is also the highest in the nation. Seventy-five percent of people at or below the poverty line spend more than fifty percent of their income on housing. There is a need for government policies to support this group in escaping poverty.

Your Committee has amended this measure by:

- (1) Deleting language that would have established a task force to develop a restructured welfare payment system;
- (2) Inserting language that requests the Financial Assistance Advisory Council to assist the Department of Human Services in proposing recommendations to restructure the welfare payment system and report any findings to the Legislature no later than twenty days prior to the convening of the 2014 Regular Session;
- (3) Deleting language that would have re-established and funded the exit and retention bonus program; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1375, 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 (Taniguchi, Slom).

**SCRep. 883 Human Services on H.B. No. 1432**

The purpose and intent of this measure is to appropriate funds to support a statewide aging and disability resource center with sites in each county.

Your Committee received testimony in support of this measure from the State Council on Developmental Disabilities, Executive Office on Aging, County of Hawaii Office on Aging, Maui County Office on Aging, AARP Hawaii, Healthcare Association of Hawaii, Catholic Charities Hawaii, Child and Family Service, Goodwill Industries of Hawaii, Lanakila Pacific, Partners in Development Foundation, Project Dana, Arc of Kona, and seven individuals.

Your Committee finds that aging and disability resource centers are intended to streamline access to long-term supports and services for older adults, persons with disabilities, and caregivers. Hawaii's aging and disability resource center program is in various stages of development in each county. Programs are operational in Hilo and Maui and are scheduled for implementation on Kauai in late 2013. Programs are also scheduled for Kona and Oahu in 2015.

Your Committee further finds that aging and disability resource centers in Hawaii need to be properly resourced and funded to make the centers an effective single point of entry for individuals seeking information on their long-term care options.

Your Committee has heard testimony expressing concerns about the appropriation amount and requests that your Committee on Ways and Means consider an appropriation amount of \$1,800,000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1432, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 884 Human Services on H.B. No. 87**

The purpose and intent of this measure is to broaden criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of a public housing project after a reasonable request or warning to leave by housing authorities or a police officer, excluding an invited guest who is not in violation of any law or public housing project rule.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. Testimony in opposition to this measure was submitted by the American Civil Liberties Union of Hawaii. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that the Hawaii Public Housing Authority continues to make improvements to security measures at many of the high risk housing projects, including the addition of fences, security fences, and photo identification cards for tenants. Enacting this measure will significantly improve the ability of the Authority to ensure a secure, livable community for residents. Meanwhile, the Authority will continue to work with local law enforcement and security personnel to refine policies and procedures to effectively keep residents safe and secure.

Your Committee has amended this measure by:

- (1) Replacing “police officer” with “law enforcement officer”;
- (2) Adding language to require that the warning or request to leave is based upon an alleged violation of law or administrative rule;
- (3) Adding language to specify that a warning or request to leave is not necessary if a public housing project uses signs to mark the boundaries of the property and notify the public that the public housing project is closed to the public during certain hours; and
- (4) Deleting the “invited guest” provision for persons warned or requested to leave by housing authorities or law enforcement officers.

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. 87, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 87, 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 (Taniguchi, Slom).

**SCRep. 885 Human Services on H.B. No. 178**

The purpose and intent of this measure is to require social workers to meet the following continuing education requirements as a condition of any license renewal occurring after the first license renewal:

- (1) A minimum of fifteen credit hours of continuing education courses for the licensing renewal period beginning July 1, 2013, through June 30, 2016; and
- (2) A minimum of forty-five credit hours of continuing education courses during each licensing renewal period beginning July 1, 2016, through June 30, 2019, and every triennial renewal thereafter.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawaii State Commission on the Status of Women; Hawaii Psychological Association; Hawaii Youth Services Network; National Association of Social Workers, Hawaii Chapter; and eight individuals.

Your Committee finds that licensed social workers provide necessary services in prevention, intervention, and treatment to a broad spectrum of clients, many of whom are vulnerable or in crisis. However, unlike many other licensed professionals, social workers are not required to complete continuing education courses in order to renew their licenses. Hawaii is one of only three jurisdictions that do not require continuing education for social workers.

Your Committee further finds that requiring licensed social workers to complete continuing education courses will ensure that licensed social workers in Hawaii maintain their professional competency and keep current with new developments in the practice of their profession.

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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 178, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 178, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 886 Human Services on H.B. No. 518**

The purpose and intent of this measure is to appropriate funds for the state rent supplement program for homeless working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Substance Abuse Coalition, and one individual. Testimony



in opposition to this measure was submitted by two individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that many hardworking individuals and families remain in transitional housing programs because they cannot afford permanent, market-level housing. Providing a rent supplement would allow these individuals and families to transition from these temporary shelters to permanent housing. Moreover, your Committee finds that this approach would, in turn, provide housing opportunities to those individuals and families awaiting intake into transitional shelters.

Your Committee has amended this measure by:

- (1) Inserting language to include, as an authorized use of the funds appropriated by this measure, the hiring and training of one program specialist to monitor the state rent supplement program and contract for the statewide implementation of the program; and
- (2) Changing the expending agency of the appropriation from the Hawaii Public Housing Authority to the Department of Human Services.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 518, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 518, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 887 Human Services on H.B. No. 514**

The purpose and intent of this measure is to establish a state exemption for income earned and obligations issued by nonprofit entities that are determined to be public housing agencies pursuant to federal law and whose income and obligations are declared to be tax exempt by the United States Department of Housing and Urban Development.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and Hawaii Housing Finance and Development Corporation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that Section 11 of the Housing Act of 1937 provides for public housing agencies to issue obligations secured by a variety of United States Department of Housing and Urban Development funds to finance the development of low-income housing projects. It further provides that any such obligations, including interest thereon, that are issued by a public housing agency, and any income derived by the public housing agency from such projects, are exempt from all taxation imposed by the United States. Section 201H-37, Hawaii Revised Statutes, provides that such obligations and income should also be exempt from all taxation imposed by the State.

Your Committee further finds that this measure is intended to be a housekeeping measure that moves the state tax exemption from income earned and obligations issued by a public housing agency to the appropriate chapter of the 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 H.B. No. 514, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 888 Human Services on H.B. No. 519**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to continue to administer Housing First programs for chronically homeless individuals in the State.

Your Committee received testimony in support of this measure from Catholic Charities Hawaii, the Hawaii Appleseed Center for Law and Economic Justice, Hawaii Substance Abuse Coalition, and Waikiki Health Center. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that the Housing First program has proven its success in many states as a way to more effectively address the chronically homeless. The chronically homeless are often the most visible homeless, living in our neighborhoods, doorways, and under bridges. These persons experience homelessness over a long period of time and incur very significant public costs. Housing First assists them in gaining permanent housing and then provides the services needed to keep them in housing and off the streets.

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. 519, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 889 Human Services on H.B. No. 521**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and the appropriation of funds for deposit into the rental housing trust fund to finance affordable rental housing development.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Catholic Charities Hawaii, Hawaii Appleseed Center for Law and Economic Justice, Hawaii Association of REALTORS, and Housing Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Hawaii Housing Finance and Development Corporation uses the rental housing trust fund to finance the development of critically needed rental housing through public-private partnerships. The Corporation reports that during fiscal year 2012, the rental housing trust fund received \$37,000,000 in requests but was only able to commit \$20,700,000 to four rental projects totaling three hundred seventeen units. Requests for awards to help finance an additional two hundred thirty units went unfunded due to a lack of available funds.

Your Committee further finds that the appropriation in this measure will provide greater flexibility to the Hawaii Housing Finance and Development Corporation to increase the inventory of affordable rental housing units 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 is in accord with the intent and purpose of H.B. No. 521, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Kidani). Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 890 Public Safety, Intergovernmental and Military Affairs on H.B. No. 951**

The purpose and intent of this measure is to:

- (1) Authorize the Director of Public Safety to maintain a list of independent process servers; and
- (2) Update various sections of the Hawaii Revised Statutes to clarify that law enforcement officers and independent civil process servers may serve certain types of legal process.

Your Committee received testimony in support of this measure from the Department of Public Safety; Judiciary, State of Hawaii; Collection Law Section, Hawaii State Bar Association; Pyramid Process; and three individuals. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that there have been difficulties in identifying process servers and obtaining their services in Hawaii. The unavailability of those services has resulted in an increased reliance on Deputy Sheriffs to issue service of process, who are already understaffed, which causes delays for serving process. Your Committee finds that, in the interest of efficiency and fairness, the Director of Public Safety must make a list of eligible process servers in the State available to the public as soon as possible.

Your Committee has amended this measure by:

- (1) Making the provision of the list of independent process servers by the Director of Public Safety mandatory, rather than discretionary; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 951, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 951, 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, none.

**SCRep. 891 Agriculture on H.B. No. 1264**

The purpose and intent of this measure is to expand the Department of Agriculture's agricultural loan program by, among other things:

- (1) Specifying that infrastructure and infrastructure improvement costs are qualifying purposes for certain classes of agricultural loans;
- (2) Expanding the availability of new farmer program loans through actions such as the waiver of credit denial requirements for certain borrowers, inclusion of graduates of farm training programs in the definition of "new farmer", and creation of a new farm innovation loan available to fund practical research in crop development and production; and
- (3) Adding a new class of loans for biosecurity projects that, among other things, seek to protect the health of livestock, poultry, and humans from diseases, pests, and pathogens that may originate on a farm, and specifying applicable qualifying purposes, a maximum loan amount, loan terms, and borrower eligibility requirements.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Land Use Research Foundation, and two individuals. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that this measure as currently written may be confusing as it classifies the purchase, construction, or improvement of farm land as "infrastructure improvements" for Class "A" loans under the agriculture loan program. This may be in conflict with the lending industry's standard language and terminology. More specifically, loans to purchase lands are considered to be in a separate category than buildings or other capital improvements because land tends to appreciate in value while buildings and other capital improvements tend to depreciate in value. As such, the terms of loans for farm land tend to be longer than those for buildings and other capital improvements.

Your Committee further finds that the contents of S.B. No. 992, S.D. 2, and S.B. No. 993, S.D. 2, more clearly and accurately reflect the statutory changes necessary to expand the Department of Agriculture's ability to provide loans for livestock infrastructure and new farmers.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of:
  - (A) S.B. No. 992, S.D. 2, which:
    - (i) Establishes a low interest biosecurity loan program to assist the livestock industry and provides for loans for an amount not to exceed \$1,000,000 or eighty-five percent of the project costs, whichever is less at an interest rate of three percent per year; and
    - (ii) Subjects loans insured under section 155-5, Hawaii Revised Statutes; loans guaranteed under section 155-5.5, Hawaii Revised Statutes; and participating loans under section 155-6, Hawaii Revised Statutes, for purposes of Class "A" through Class "I", to terms; conditions; and eligibility, security, repayment, and refinancing requirements pursuant to sections 155-9 through 155-13, Hawaii Revised Statutes; and
  - (B) S.B. No. 993, S.D. 2, which enhances the new farmer loan program to provided needed capital to new farmers and incentives to enter into and continue farming, such as waiving the requirement for two credit denials for certain new farm loans up to \$100,000, and allowing farm innovation loans up to \$75,000;
- (2) Inserting an effective date of July 1, 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1264, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1264, 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 (Dela Cruz, Slom).

**SCRep. 892 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 26**

The purpose and intent of this measure is to encourage the Department of Public Safety to continue and expand its structured community placement programs that assist the transition of formerly incarcerated persons into the community.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, American Civil Liberties Union of Hawaii, and seven individuals.

Your Committee finds that structured community placement programs are cost-effective and afford formerly incarcerated individuals important opportunities to reconnect with their families, seek employment, and successfully transition to the community. These programs are particularly effective for non-violent female inmates, many of whom are the primary caregivers of their children.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 26 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 893 Commerce and Consumer Protection on H.B. No. 791**

The purpose and intent of this measure is to clearly provide that directors of nonprofit corporations shall have access to the books and records of the corporations to the extent reasonably related to their duties.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Hawai'i Alliance of Nonprofit Organizations, and one individual.

Your Committee finds that at common law, directors of corporations have an absolute right of access to corporate records. Although sections of the Hawaii Revised Statutes create a judicially enforceable right for members of membership-based nonprofit corporations to inspect the books and records of the corporation, there is no comparable provision that a director shall have the same reasonable access.

Your Committee further finds that this measure authorizes directors of nonprofit corporations to have access to corporate records for proper purposes. This ensures meaningful self regulation by directors of nonprofit corporations and allows directors to adhere to their statutory duty of care.

Your Committee has amended this measure by clarifying that a director of a nonprofit corporation is entitled to inspect and copy the books, records, and documents of the corporation, including the records described in section 414D-301, 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. 791, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 791, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Slom).

**SCRep. 894 Commerce and Consumer Protection on H.B. No. 841**

The purpose and intent of this measure is to update the Insurance Code by streamlining and improving the operations of the Insurance Division of the Department of Commerce and Consumer Affairs and ensuring that the Insurance Division retains its accreditation with the National Association of Insurance Commissioners.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Hawaii Captive Insurance Council.

Your Committee finds that this measure updates the Insurance Code and includes amendments to certain provisions of the Insurance Code that relate to risk retention captive insurance companies domiciled in Hawaii under the State's captive insurance law. This will permit the State to maintain its accredited status with the National Association of Insurance Commissioners.

Your Committee further finds that this measure establishes a thirty-day deadline to request an administrative hearing. Your Committee notes that the Senate companion to this measure, S.B. No. 1072, S.D. 2, which was previously passed by the Senate, does not establish a similar deadline. Your Committee finds that the language in S.B. No. 1072, S.D. 2, is preferable because it does not establish a specific deadline for parties to request administrative hearings on complicated regulatory issues, as parties already have sufficient flexibility and reasonable time to request a hearing pursuant to chapter 91, Hawaii Revised Statutes, the Administrative Procedure Act.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 1072, S.D. 2, a substantively similar measure, which updates the Insurance Code and ensures the Insurance Division retains its accreditation with the National Association of Insurance Commissioners by:
  - (A) Adopting the current authorized control level for the risk-based capital trend test for life insurers;
  - (B) Increasing the maximum allowable credit hours for producer continuing education courses;
  - (C) Adopting the provisions of the National Association of Insurance Commissioners Model Regulation to Define Standards and Commissioner's Authority for Companies Deemed to be in Hazardous Financial Condition;
  - (D) Clarifying that the nonrefundable application fee for a captive insurance company redomesticating from another jurisdiction to Hawaii must be paid at the time of petition for a certificate of general good; and
  - (E) Clarifying the sections that are applicable to risk retention captive insurance companies; and
- (2) Further amending this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members of 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. 841, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 841, 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 (Taniguchi, Slom).

**SCRep. 895 Commerce and Consumer Protection on H.B. No. 877**

The purpose and intent of this measure is to allow the Directors of Commerce and Consumer Affairs, Health, Human Services, and Labor and Industrial Relations to delegate voting authority to their designees for all meetings of the Hawaii Health Insurance Exchange.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Department of Health, Department of Human Services, and Department of Labor and Industrial Relations.

Your Committee finds that because the Hawaii Health Insurance Exchange, also known as the Hawaii Health Connector, was established as a Hawaii nonprofit corporation, more specific language is required regarding designees for the directors of state agencies who serve as ex officio voting members of the Board of Directors of the Hawaii Health Connector.

Your Committee further finds that the language in this measure states that the directors of the named state agencies may select a designee from their respective departments for all meetings, which could potentially be interpreted to require a designee to attend all meetings of the Hawaii Health Insurance Exchange. In comparison, your Committee notes that the Senate companion to this measure, S.B. No. 1108, which was previously heard by your Committee, permits the directors of the named departments to select a designee for a specified meeting or meetings. The language in S.B. No. 1108 is therefore preferable because it offers more clarity to the directors regarding their respective designees. S.B. No. 1108 also provides the necessary flexibility for the directors of state agencies to voice their votes through their designees when they are unable to attend a meeting or meetings of the Board of Directors, ensures that a voting quorum can be met, and facilitates the timely development and implementation of the Hawaii Health Insurance Exchange.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 1108, a substantively similar measure, which allows the Directors of Commerce and Consumer Affairs, Health, Human Services, and Labor and Industrial Relations to delegate voting authority to their designees for a specified meeting or meetings of 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 is in accord with the intent and purpose of H.B. No. 877, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 877, 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 (Taniguchi, Slom).

**SCRep. 896 Health on Gov. Msg. No. 638**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HONOLULU SUBAREA

G.M. No. 638 ALICIA DAMIEN LAU, for a term to expire 6-30-2016

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Alicia Damien Lau to possess the requisite qualifications to be nominated to the Health Planning Council, Honolulu Subarea.

Your Committee received testimony in support of Alicia Damien Lau from the Department of Health, Hawaii Long Term Care Association, Healthcare Association of Hawaii, St. Francis Healthcare System, and three individuals.

Ms. Lau has earned a Master's degree in Public Health in Administration and Master of Science and Bachelor's degrees in Nursing.

Ms. Lau is currently the Director of Health Services for the Sisters of St. Francis of the Neumann Communities and serves on the Board of Directors for the Pacific Health Ministries and Catholic Charities of Hawaii. She is also the owner and consultant for Damien Healthcare Consultants, LLC. Previously, Ms. Lau served as the Chief Operating Officer for Ito Healthcare Group, in which she was responsible for the health and well-being of patients at the Oahu Care Facility, Pearl City Nursing Home, Kulana Malama, Community Case Management Corporation, and Kokua Nurses.

Your Committee finds that Ms. Lau's past experiences, as well as her continuing commitment to issues relating to health care, will be great assets to the 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, 3. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 897 Health on Gov. Msg. No. 639**

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. 639 SHEILA CALCAGNO, for a term to expire 6-30-2016

Your Committee has reviewed the personal history and statement submitted by the nominee and finds Sheila Calcagno 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 Sheila Calcagno from the Department of Health.

Ms. Calcagno is an outreach worker for substance abuse and has over twelve years of experience in the areas of HIV prevention and strengthening families against drug abuse. Since 2009, Ms. Calcagno has been very involved in providing valuable information to the Kauai Service Area Board on behalf of adults, children, and adolescents living with mental illness and substance abuse challenges.

Your Committee finds that Ms. Calcagno's past experiences, as well as her continuing commitment to issues relating to mental health and substance abuse, will be great assets to the Board.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 898 Health on Gov. Msg. No. 546**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, HAWAII COUNTY SUBAREA

G.M. No. 546 DAVID KOPEC, for a term to expire 6-30-2016

Your Committee has reviewed the personal history and statement submitted by the nominee and finds David Kopec to possess the requisite qualifications to be nominated to the Health Planning Council, Hawaii County Subarea.

Your Committee received testimony in support of David Kopec from the Department of Health and one individual.

Dr. Kopec has a Doctorate in Environmental Psychology, Master's degrees in Architecture and Community Psychology, and a Bachelor's degree in Community Health. He served as a Visiting Lecturer at Virginia Commonwealth University's Doha Campus in Qatar and as a Visiting Professor at the University of Hawaii at Manoa's School of Architecture and Department of Public Health Studies. Dr. Kopec has also written and published two textbooks.

Dr. Kopec indicated that his interest in serving on the Health Planning Council, Hawaii County Subarea, is related to issues and concerns of equal access to and within existing and new building stock. These issues and concerns include aging in place, Universal Design, and accommodations for illnesses or disorders such as asthma, allergies, autism, and assorted sensory-motor deficits.

Your Committee finds that Dr. Kopec's academic experience will be a great asset to the 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, 3. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 899 Health on Gov. Msg. Nos. 549, 640, 641, and 642**

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. 549 CHIREE SOUZA, for a term to expire 6-30-2016;

G.M. No. 640 LUCAS BRUNO, for a term to expire 6-30-2014;

G.M. No. 641 PETER GONZALEZ, for a term to expire 6-30-2015; and

G.M. No. 642 KARIN PHANEUF, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories and statements by the nominees and finds Chiree Souza, Lucas Bruno, Peter Gonzalez, and Karin Phaneuf to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Maui Service Area Board.

CHIREE SOUZA

Your Committee received testimony in support of Chiree Souza from the Department of Health.

Ms. Souza currently works with special education students on Maui. She has been an active participant during her interim appointment on the Mental Health and Substance Abuse, Maui Service Area Board. She recently participated in a "Bus Survey" that required her to ride the bus in order to better understand the challenges of Maui's bus ridership. Findings from this survey prompted a meeting with the Mayor of Maui's representative to work on improvements to the bus system.

Your Committee finds that Ms. Souza's commitment to the mission of the Board will enable her to continue advocating for the people in her community.

LUCAS BRUNO

Mr. Bruno is a seasoned clinician who works closely with persons living with mental illness. He is currently a probation officer and social worker. Mr. Bruno brings practical experience to the Board with his awareness of the needs of the community.

Your Committee finds that Mr. Bruno's understanding of the needs of the community and the realistic solutions that he seeks on a daily basis through working with consumers will be an asset to the Board.

PETER GONZALEZ

Mr. Gonzalez is a passionate mental health advocate for the island of Molokai. In the past, he served as the Maui Service Area Board representative on the State Council on Mental Health for several months. While on the State Council, Mr. Gonzalez expanded his understanding and education about mental illness by attending several conferences and sharing his knowledge with other consumers on Molokai. Also, Mr. Gonzalez's own experiences in living with mental illness bring the consumer perspective to the Board.

Your Committee finds that Mr. Gonzalez's past experiences on the State Council on Mental Health, as well as his continuing commitment to issues relating to mental health, will be great assets to the Board.

KARIN PHANEUF

Ms. Phaneuf is the current Chair of the Maui Service Area Board and has been on the Board for four years. Her enthusiasm and experience in working with incarcerated, homeless, and disabled persons has provided opportunities for the Board to collaborate with other agencies for improved service delivery to Maui. She is highly respected by Board members and the Maui community.

Your Committee finds that Ms. Phaneuf's past experience, as well as her continuing commitment to issues relating to homelessness and individuals with disabilities, will be great assets 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, 3. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 900 (Joint) Human Services and Health on H.B. No. 120**

The purpose and intent of this measure is to allow the Department of Health and the Department of Human Services to post on their websites information on all inspections in which major patient care violations were discovered at certain care facilities within a certain period of time after the order specifying the violation becomes final.

Your Committees received testimony in support of this measure from the Department of Health, State Long Term Care Ombudsman, State Council on Developmental Disabilities, Hawaii Alliance for Retired Americans, and nine individuals. Your Committees received testimony in opposition to this measure from the Adult Foster Homecare Association of Hawaii, Alliance of Residential Care Administrators, and fifty-eight individuals. Your Committees received comments on this measure from the Department of Human Services, Healthcare Association of Hawaii, and Hawaii Family Caregiver Coalition.

Your Committees find that the Department of Health is responsible for licensing, certifying, and monitoring several types of care facilities. Although the Department performs inspections to ensure a standard of quality of these facilities using state monies, the public currently cannot easily access the information contained in the inspection reports. The public would benefit from greater access to information on the quality and conditions of care facilities in Hawaii. At least twenty-seven states already have websites that provide evaluations of care facilities.

Your Committees have amended this measure by:

- (1) Deleting its contents and replacing them with the provisions of Senate Bill No. 358, S.D. 2 (Regular Session of 2013), which:
  - (A) Beginning January 1, 2015, requires the Department of Health to make available to the public on its website information collected from the Department's inspections in certain care facilities;
  - (B) Requires that information collected from the Department's inspections shall be posted on the Department's website within five working days of the conclusion of the inspection;
  - (C) Removes each report posted on the Department's website that reports a violation after three years from the date the report was posted; and
  - (D) Appropriates funds for computer equipment, website and database development, and staff support; and
- (2) Adding language to create a working group responsible for developing a new inspection form to be posted online with information that is fair to the care home operators and useful to the public.

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. 120, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 120, 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.

Human Services

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

Health

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

**SCRep. 901 Public Safety, Intergovernmental and Military Affairs on H.B. No. 944**

The purpose and intent of this measure is to:

- (1) Make chapter 329, Hawaii Revised Statutes, consistent with recent amendments in federal law on controlled substances;
- (2) Amend section 329-14, Hawaii Revised Statutes, to add new controlled substances emergency scheduled by the State;
- (3) Amend section 329-75(h), Hawaii Revised Statutes, to limit the penalties relating to pseudoephedrine; and
- (4) Make housekeeping amendments to chapter 329, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Public Safety; Police Department, City and County of Honolulu; and Natural Cancer Wellness Foundation.

Your Committee finds that there is a growing problem of synthetic hallucinogenic substances being developed for sale to the public as "herbal incense" or "bath salts" in Hawaii. In the in the interest of public health and safety, the Narcotics Enforcement Division of the Department of Public Safety and the federal Drug Enforcement Administration have placed in schedule the increasing number of synthetic cannabinoids and cathinones, as well as two new anabolic steroids. This measure is necessary to reflect these updates to the controlled substance schedule designations under the Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 944, 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. 902 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1279**

The purpose and intent of this measure is to appropriate matching funds to be expended by the Department of Labor and Industrial Relations for holistic treatment and support services related to the reintegration of offenders into the general population.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, Hawaii Substance Abuse Coalition, American Civil Liberties Union of Hawaii, and six individuals.

Your Committee finds that incarcerated individuals need programs that will help them to successfully transition and reintegrate into their communities after release. Your Committee further finds that there is a need to form public and private partnerships in addressing the high-risk needs of offenders. This measure promotes the goals of the Justice Reinvestment Initiative by better preparing incarcerated individuals for successful reentry into the community.

Your Committee has amended this measure by inserting an effective date of July 1, 2075, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1279, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1279, 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. 903 Health on S.C.R. No. 15**

The purpose and intent of this measure is to:

- (1) Direct the Department of Health to establish the State Nutrition Guidelines Work Group to draft model food guidelines for all state agencies, create a toolkit for implementing the guidelines, and develop recommendations for implementation of the guidelines in all state agencies; and
- (2) Encourage the use of nutrition guidelines for certain foods sold, provided, or purchased by or made available at all government agencies.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, American Heart Association, and Hawaii Pacific Health.

Your Committee finds that adult obesity in Hawaii more than doubled between 1995 and 2009 and childhood obesity increased by thirty-eight percent. Your Committee further finds that obesity-related medical expenditures in Hawaii were calculated to be over \$470,000,000 in 2009. Healthy eating is a critical component of reducing obesity, and the availability and prominence of healthy foods and beverages increase the ability of people to achieve and maintain a healthy weight. Your Committee finds that all food sold or provided on government-run property, purchased by government agencies for their guests at meetings, and made available to all employees in vending machines or on-site vendors should follow nutrition guidelines to ensure the availability and encourage the consumption of nutritious foods at all government agencies.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 15, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 15, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 904 (Majority) Health on H.B. No. 396**

The purpose and intent of this measure is to promote the health and safety of young children by prohibiting the manufacture, sale, and distribution of reusable food and drink containers containing bisphenol A that are intended for use by children under three years of age.

Your Committee received testimony in support of this measure from one individual. Your Committee received testimony in opposition to this measure from the American Chemistry Council.

Your Committee finds that there is a need to protect young children from exposure to bisphenol A. In July 2012, the United States Food and Drug Administration banned the use of bisphenol A in infant feeding bottles and spill-proof cups. Previously, the National Toxicology Program at the National Institutes of Health and the Food and Drug Administration had expressed some concern about the potential effects of bisphenol A on the brain, behavior, and prostate gland in fetuses, infants, and young children. The American Medical Association recently developed a policy supporting industry action to stop producing baby bottles and infant feeding cups containing bisphenol A and supports a ban on the sale of such products.

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. 396, 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; Ayes with Reservations (Nishihara). Noes, 1 (Slom). Excused, none.



**SCRep. 905 (Majority) Health on H.B. No. 672**

The purpose and intent of this measure is to reduce the number of minors and youth who smoke by prohibiting the sale of tobacco products and vapor products to minors and the purchase of tobacco products and vapor products by minors.

Your Committee received testimony in support of this measure from Coalition for a Tobacco-Free Hawaii, Volcano Fine Electronic Cigarettes, Four Seasons Resort Hualalai, and numerous individuals.

Your Committee finds that vapor products are electronic devices that allow consumption of tobacco products without causing combustion. Minors are not currently prohibited from purchasing vapor products and your Committee finds that prohibiting the sale of such products to minors and the purchase of such products by minors furthers the State's interest in promoting a healthy lifestyle by reducing the number of minors who smoke.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for 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. 672, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 672, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 906 Health on H.B. No. 653**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Hawai'i Pacific Health in financing the renovation and construction of health care facilities.

Your Committee received testimony in support of this measure from Hawai'i Pacific Health and Healthcare Association of Hawaii. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that Hawai'i Pacific Health is the State's largest non-profit health care provider, which offers health care and medical services at four hospitals and forty-nine outpatient clinics and service sites and has more than five thousand four hundred employees and one thousand three hundred physicians on staff. Your Committee further finds that Hawai'i Pacific Health has a demonstrable need for capital for the construction and renovation of the first phase of the Kapiolani Medical Center for Women & Children Master Plan to meet the needs of its patients in a cost-effective manner.

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. 653, and recommends that 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. 907 (Majority) Health on H.B. No. 914**

The purpose and intent of this measure is to create the Hawaii Interagency Obesity Prevention Council to formulate and advise the Governor on the implementation of a unified ten-year plan to address child and adult obesity in Hawaii.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, University of Hawaii, Hawaii Pacific Health, American Heart Association, and one individual.

Your Committee finds that adult obesity in Hawaii more than doubled between 1995 and 2009 and childhood obesity increased by thirty-eight percent. Your Committee further finds that obesity-related medical expenditures in Hawaii were calculated to be over \$470,000,000 in 2009. In order to reduce and prevent obesity in the State, your Committee finds it necessary to establish the Hawaii Interagency Obesity Prevention Council to formulate and advise the Governor on the implementation of a unified ten-year statewide plan.

Your Committee has amended this measure by changing the appropriation source from the obesity prevention special fund, which does not exist at this time, to the general fund.

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. 914, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 914, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 908 (Majority) Health on H.B. No. 411**

The purpose and intent of this measure is to ensure that sexual assault victims are provided information about and access to emergency contraception when receiving emergency medical care at Hawaii's hospitals.

Your Committee received testimony in support of this measure from the Department of Health; Department of Human Services; Hawaii State Commission on the Status of Women; State of Hawaii Crime Victim Compassion Compensation Commission; City and County of Honolulu, Department of the Prosecuting Attorney; The Sex Abuse Treatment Center; American Civil Liberties Union of Hawaii; American Congress of Obstetricians and Gynecologists; Hawaii Medical Association; Healthcare Association of Hawaii;

Hawaii Democratic Party, Gay Lesbian Bisexual and Transgender Caucus; Planned Parenthood; IMUAlliance; Domestic Violence Action Center; Kaiser Permanente Hawaii; Honolulu Pride; Community Alliance on Prisons; and six individuals. Your Committee received testimony in opposition to this measure from Hawaii Family Forum; Hawaii Family Advocates; Saint Francis Healthcare System of Hawaii; Hawaii Catholic Conference; and two individuals.

Your Committee finds that, according to a report prepared by the Department of the Attorney General, there were three hundred fifty-three reported cases of forcible rape in Hawaii in 2011. Further, according to the United States Department of Justice, over half of all rapes are not reported to the police. There are an estimated thirty-two thousand rape-related pregnancies every year in the United States.

Your Committee further finds that emergency contraception is a safe and effective means of preventing pregnancy after sexual assault. Providing information about and access to emergency contraception is the most widely recognized and accepted standard of care for sexual assault victims. Your Committee also finds it necessary to require all hospitals in Hawaii to provide information about and access to all victims of sexual assault who present themselves for emergency medical treatment at Hawaii's hospitals.

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. 411, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 909 Health on H.B. No. 407**

The purpose and intent of this measure is to appropriate funds for the comprehensive breast and cervical cancer control program to continue its valuable services of screening, educating, providing treatment as necessary, and conducting outreach on breast and cervical cancer.

Your Committee received testimony in support of this measure from the Department of Health; American Cancer Society Cancer Action Network; Hawaii Medical Association; The Queen's Health Systems; Planned Parenthood of Hawaii; and one individual. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that over the past few years, the comprehensive breast and cervical cancer control program has screened an average of 1,275 women every year. The program is essential in early detection of breast and cervical cancer and allows health providers an opportunity for early intervention and cancer treatment. Your Committee further finds that early intervention and treatment are essential to providing life-saving treatments and also save substantial sums of money that would otherwise be spent in treating advanced stage cancer.

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. 407, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 407, 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. 910 Health on H.B. No. 79**

The purpose and intent of this measure is to change the degree requirements for advance practice registered nurse recognition from a master's degree in nursing to a graduate degree in nursing.

Your Committee received testimony in support of this measure from the Hawaii Board of Nursing; University of Hawaii; Hawaii Public Health; Hawaii State Center for Nursing; Prime Care Services Hawaii, Inc.; American Organization of Nurse Executives; Hawaii Association of Professional Nurses; The Queen's Health Systems; Hawaii State Center for Nursing; American Association of Nurse Practitioners; Healthcare Association of Hawaii; Hawaii State Center for Nursing; Blood Bank of Hawaii; and seven individuals.

Your Committee finds that currently only nurses who have a Master's degree in nursing can be recognized as advanced practice registered nurses in Hawaii. This restriction absolutely bars nurses who earn advanced nursing degrees other than a Master's degree from being recognized as advanced practice registered nurses in the State. Your Committee further finds that nurses who are recognized by other states as advanced practice registered nurses on the basis of having earned graduate degrees such as a Doctor of Nursing degree cannot be recognized as an advanced practice registered nurse in the State. Hawaii is the only remaining state in the nation whose law recognizes only those nurses achieving a Master's degree in nursing as advanced practice registered nurses. Your Committee finds it necessary to expand recognition as an advanced practice registered nurse to any nurse who has received a graduate degree in nursing.

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. 79, 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. 911 Health on H.B. No. 62**

The purpose and intent of this measure is to prohibit pharmacy benefits managers from using a patient's claim information to market or advertise to that patient the services of a preferred pharmacy network that is owned by the pharmacy benefits manager.

Your Committee received testimony in support of this measure from the Office of Consumer Protection, Hawaii Food Industry Association, Walgreens, Times Supermarkets, and two individuals. Your Committee received testimony in opposition to this measure from Ohana Health Plan, Express Scripts, Hawaii Medical Service Association, and CVS Caremark.

Your Committee finds that pharmacy benefits managers are intermediaries that negotiate services and costs between pharmaceutical companies and third party payors, such as insurance companies, businesses, and cash-paying customers. Your Committee further finds that the three largest pharmacy benefits managers administer prescription drug benefits for approximately eighty percent of insured prescriptions and ninety percent of mail order prescriptions.

Prescription benefits managers often use a patient's prescription drug claims information to directly market to that patient the services of a preferred pharmacy provider that is owned by the pharmacy benefits manager. In doing so, your Committee finds that pharmacy benefits managers unduly influence patient behavior in a manner that drives business to the pharmacy benefits manager's own subsidiary pharmacies. Your Committee finds that this practice is unduly unfair and deceptive because the patient is often unaware that the patient's information is being used in such a manner or that the pharmacy network being advertised is affiliated with or owned by the pharmacy benefits manager.

Your Committee further notes the serious privacy concerns that are raised by these marketing practices and the concern of the Office of Consumer Protection that it does not presently have the staff or resources to enforce the Act as intended. Given all of the forgoing, your Committee finds it necessary to prohibit pharmacy benefits managers from using a patient's claim information to market or advertise to that patient the services of a preferred pharmacy network that is owned by the pharmacy benefits manager.

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

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 62, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 62, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 912 Health on H.B. No. 417**

The purpose and intent of this measure is to address the shortage of primary care providers in the State by appropriating funds for the Interdisciplinary Hawaii Health Systems Corporation Primary Care Training Program at Hilo Medical Center.

Your Committee received testimony in support of this measure from the University of Hawaii at Hilo College of Pharmacy; Hawaii Health Systems Corporation; American Association of Retired Persons; Japanese Chamber of Commerce & Industry of Hawaii; Healthcare Association of Hawaii; Hawaii Medical Service Association; Hilo Medical Center Foundation; Hawaii Island Healthcare Alliance; Ka'u Hospital; and fifteen individuals. Your Committee received comments on this measure from two individuals.

Your Committee finds that the State faces a shortage of primary healthcare providers. Your Committee further finds that the Hawaii Health Systems Corporation Primary Care Training Program is an effective way to reduce the impact of the shortage of primary care providers and to improve access to healthcare throughout the State. The success of the training model is predicated on the ability of interdisciplinary teams of caregivers being able to treat four times as many patients as independent practicing physicians. Your Committee finds that providing funding for the Interdisciplinary Hawaii Health Systems Primary Care Training Program at the University of Hawaii at Hilo will greatly assist the State in meeting the primary care needs of its citizens.

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. 417, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 913 (Joint) Health and Human Services on H.B. No. 879**

The purpose and intent of this measure is to amend Act 217, Session Laws of Hawaii 2012 (Act 217), relating to the hospital sustainability program. Specifically, this measure:

- (1) Adjusts the percentage allocations of funds to be expended from the hospital sustainability program special fund for uncompensated care and other purposes;
- (2) Authorizes the Department of Human Services to use funds derived from intergovernmental transfers to support direct supplemental payments to health plans for the benefit of state hospitals;
- (3) Lowers the percentage of a hospital's net inpatient hospital service revenue that is used to set a hospital's inpatient hospital sustainability fee;
- (4) Lowers the net outpatient revenue monetary threshold, which exempts a hospital with net outpatient revenue below the threshold from paying the hospital sustainability fee on outpatient care services;
- (5) Exempts public hospitals and any hospital that was not in operation during any part of calendar year 2012 from paying the hospital sustainability fee;
- (6) Establishes the total aggregate amount of direct payments to be paid to private hospitals to cover uncompensated care costs incurred by private hospitals for Medicaid and uninsured individuals in fiscal year 2013-2014;
- (7) Clarifies and updates the text of Act 217;

- (8) Makes an appropriation out of the hospital sustainability program special fund for fiscal year 2013-2014; and
- (9) Extends the repeal date of Act 217 to June 30, 2014.

Your Committees received testimony in support of this measure from the Healthcare Association of Hawaii, Chamber of Commerce of Hawaii, and Hawaii Pacific Health.

Your Committees find that the hospital sustainability program levies a fee on nongovernmental hospitals based on their patient revenues and uses the revenue from the provider fee to leverage federal funds, thereby increasing the realization of Medicaid dollars. The cost of the fee is promised back to providers through an increase in the Medicaid reimbursement rate for their patient treatment and services. The provider fee stabilizes declining Medicaid payments and slows the erosion of access to care for those beneficiaries served by the program. This measure extends the hospital sustainability program to increase sustainable hospitals and access to necessary medical care.

Your Committees have amended this measure by changing the effective date to June 29, 2013.

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. 879, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 879, 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.

Health

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

Human Services

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

**SCRep. 914 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 18**

The purpose and intent of this measure is to request the Department of Health to establish the Obesity Prevention Healthcare Reimbursement Task Force to:

- (1) Assess gaps in health care providers' ability to prevent and provide treatment for obesity-related services and counseling;
- (2) Investigate providers' reimbursement options for the provision of these services;
- (3) Educate providers about reimbursement options; and
- (4) Encourage providers' utilization of reimbursement options.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Hawaii Pacific Health, and one individual.

Your Committees find that obesity is a major health and economic concern for the State, causing higher medical costs and lower quality of life. In Hawaii, adult obesity has more than doubled between 1995 and 2009, and childhood obesity increased by thirty-eight percent between 1999 and 2009. Your Committees also find that obesity-related medical expenditures in Hawaii were calculated to be over \$470,000,000 in 2009. Your Committees further find that the passage of the Patient Protection and Affordable Care Act provides an opportunity to assess gaps in health care providers' ability to prevent and treat obesity and that this measure would establish a task force to take advantage of such an opportunity.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 18, 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. 18, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Taniguchi, Slom).

**SCRep. 915 (Joint) Tourism and Hawaiian Affairs and Education on H.B. No. 224**

The purpose and intent of this measure is to require the Department of Education to develop annual assessments in the Hawaiian language for language arts, mathematics, and science subjects that are to be administered to students in grades three through six of the Department's Hawaiian language immersion program.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Department of Education, Kamehameha Schools, Hawaii State Teachers Association, Association of Hawaiian Civic Clubs, Awaiaulu, Ke Kula 'o Samuel M. Kamakau, Hawaiian Affairs Caucus of the Democratic Party of Hawaii, Oahu Council of the Association of Hawaiian Civic Clubs, Nā Leo Kāko'o, and twenty-eight individuals. Your Committees received testimony in opposition to this measure from four individuals.

Your Committees find that the Hawaiian language is one of the two official languages of the State and is a critical component of preserving the Hawaiian culture. Your Committees further find that the Board of Education has acknowledged that its Hawaiian language immersion program is an essential part of revitalizing and continuing the Hawaiian culture. To uphold its obligation to perpetuate the Hawaiian language, the Board and the Department of Education must provide Hawaiian language immersion program students with an assessment system that most accurately measures their academic achievement.

Once Hawaiian language assessments are developed, it will be critical that the Department of Education request a waiver from the United States Department of Education from its requirement that there be only one uniform statewide assessment. Your Committees urge the Department of Education to impress upon the United States Department of Education the State's right to have two official languages and the need to have a Hawaiian language assessment system that most accurately measures the academic achievement of those children who embrace their right to learn in the Hawaiian language.

Your Committees also note that the Department of Education has requested an appropriation in the amount of \$1,000,000 for fiscal year 2013-2014 and the same sum for fiscal year 2014-2015 to assist the Department with developing Hawaiian language assessments.

Your Committees have amended this measure by:

- (1) Adding language to phase in the testing requirements as follows:
  - (A) Math and language arts assessments in the Hawaiian language for third and fourth graders shall begin with the 2015-2016 school year;
  - (B) Math and language arts assessments in the Hawaiian language for fifth and sixth graders shall begin on an unspecified date; and
  - (C) The science assessment in the Hawaiian language shall begin on an unspecified date;
- (2) Clarifying that the Hawaiian language assessments shall meet all applicable federal requirements;
- (3) Removing references to any specifically-named assessment or content standards;
- (4) Requiring the Department of Education to report to the Legislature on the status of the procedures for developing assessments in the Hawaiian language prior to the convening of the Regular Session of 2015, in addition to reporting to the Legislature prior to the Regular Session of 2014;
- (5) Inserting an appropriation for an unspecified amount to the Department of Education to assist with the development of the Hawaiian language assessments;
- (6) Inserting an effective date of July 1, 2013; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 224, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 224, 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.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Kidani, Slom).

Education  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 916 Health on H.B. No. 373**

The purpose and intent of this measure is to require health care facilities performing mammography exams to provide patients categorized by the facilities as having dense breast tissue with a mammography report and notification about dense breast tissue and associated cancer risks and supplemental screening benefits.

Your Committee received testimony in support of this measure from Are You Dense Advocacy, Inc. and numerous individuals.

Your Committee finds that dense breast tissue can make cancer detection through normal mammography screening difficult. Because of the dense nature of the tissue, normal mammography screening may detect the presence of cancer in only about fifty percent of cases. Your Committee further finds that approximately forty percent of women have dense breast tissue, which is the strongest predictor of the failure of mammography screening to detect cancer. Your Committee also finds it necessary to require health providers performing mammography exams to inform women with dense breast tissue of that fact and to advise them of the cancer risks associated with dense breast tissue as well as the benefits of supplemental cancer screening.

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. 373, 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. 917 Human Services on H.B. No. 182**

The purpose and intent of this measure is to:

- (1) Permit a court to dispose of a juvenile case by referring a child offender to a restorative justice program when the court deems it would be in the best interest of the child and the child admits guilt; and
- (2) Clarify and provide examples of restorative justice programs.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Youth Services Network, American Civil Liberties Union of Hawaii, Community Alliance on Prisons, and three individuals. Your Committee received testimony in opposition to this measure from the Department of the Prosecuting Attorney of the City and County of Honolulu.

Your Committee finds that separating juvenile offenders from their families and communities has a direct effect on rehabilitation and recidivism. By promoting greater discourse among communities, offenders, victims, and their support groups, this measure aids juvenile offenders in the difficult task of reintegration into a community and offers a venue for victims to express themselves and achieve closure. By engaging parents, guardians, and supporters in this restorative justice process, this program encourages collaboration and understanding among all affected parties in a safe, healthy environment.

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. 182, 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; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 918 Human Services on H.B. No. 385**

The purpose and intent of this measure is to enhance asset-building and financial security for Hawaii residents and increase their financial education by:

- (1) Enacting a refundable state earned income tax credit;
- (2) Requiring the Department of Human Services to offer financial education to applicants for and recipients of Temporary Assistance for Needy Families; and
- (3) Appropriating funds for financial education to Temporary Assistance for Needy Families applicants and recipients.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Community Alliance on Prisons; Goodwill Industries of Hawaii, Inc.; Hawaii Alliance for Community-Based Economic Development; Hawaii Appleseed Center for Law and Economic Justice; Hawaii Catholic Conference; National Community Tax Coalition; Partners in Care; PHOCUSED; and three individuals. Your Committee received comments on this measure from the Department of Human Services, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that a refundable earned income tax credit is essential to ensuring that people who work are able to make ends meet. The tax credit is a good way to help families that experience temporary job loss, reduced hours, or reduced pay. State earned income tax credits help ensure that people who work hard are able to meet basic needs, support their families, and stay off welfare. Currently, twenty-five states and the District of Columbia have enacted a state earned income tax credit, and nearly all twenty-five states calculate the value of the state credit as a percentage of the federal earned income tax credit amount, which is also a refundable income tax credit. This measure would assist the needs of many struggling families and financially educate them to help build their assets.

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. 385, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 919 Human Services on H.B. No. 1119**

The purpose and intent of this measure is to improve Hawaii's public housing by appropriating funds to assist the Hawaii Public Housing Authority with the redevelopment of Mayor Wright Homes.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that Mayor Wright Homes is the first post-World War II public housing project by the Hawaii Housing Authority. It is currently a three hundred sixty-four unit development that has continuously suffered from maintenance issues, property damage, sewage problems, and other facility upkeep problems. Funds are needed to assist the Authority in redeveloping Mayor Wrights Homes and providing much needed housing for Hawaii's low-income residents.

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. 1119, 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; Ayes with Reservations (Green, Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 920 Human Services on H.B. No. 1188**

The purpose and intent of this measure is to establish the economic opportunity poverty reduction task force to assess state practices that promote economic opportunity and poverty reduction and develop a plan to expand economic opportunities in Hawaii.

Your Committee received testimony in support of this measure from three individuals.

Your Committee finds that it is in the public interest to improve access to economic and educational opportunities to help families achieve self-sufficiency and financial security while reducing the number of Hawaii residents living in poverty. Middle-class families in Hawaii are increasingly living from paycheck to paycheck, especially in these very difficult economic times.

Your Committee further finds that more states are recognizing that reducing poverty by addressing the needs of low- and moderate-income families is a critical economic development issue. Reducing poverty requires strategic, integrated, and comprehensive approaches that create opportunities for families to achieve economic success, including creating quality jobs, providing work support, promoting greater collaboration with the private sector, and implementing targeted tax policies.

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. 1188, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 921 Human Services on H.B. No. 740**

The purpose and intent of this measure is to prohibit the possession or storage of an open container that contains intoxicating liquor on any sidewalk or common area within any public housing project under the jurisdiction of the Hawaii Public Housing Authority.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that state law prohibits the consumption of intoxicating liquors on public sidewalks, including any sidewalk within a public housing project as defined in sections 356D-1 and 356D-91, Hawaii Revised Statutes, and in common areas of public housing projects. However, this prohibition can be difficult to enforce since it is limited by the word "consumption", requiring that either a law enforcement officer visibly observe a perpetrator in the action of imbibing intoxicating liquor or a witness be willing to testify to visibly observing a perpetrator in the act of imbibing intoxicating liquor. By broadening the prohibition to possession or storage of open intoxicating liquor containers, the requirement of physically observing a perpetrator in the act of imbibing in order to support prosecution is removed, making violations easier to report and enforce.

Your Committee further finds that the existing prohibition on consumption of intoxicating liquors on public sidewalks and common areas of public housing projects applies only to federal low-income public housing under the jurisdiction of the Hawaii Public Housing Authority. This measure additionally subjects state low-income public housing under the jurisdiction of the Hawaii Public Housing Authority to the prohibitions in this measure.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 740, 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 (Taniguchi, Slom).

**SCRep. 922 Human Services on H.B. No. 532**

The purpose and intent of this measure is to require the Hawaii Public Housing Authority to include, subject to any federal law or regulatory limitations, the value of all motor vehicles registered to any tenant of a dwelling unit as assets in the calculation for determining that tenant's income eligibility for state low-income housing.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, Homeless Affordable Housing Institute, and one individual. Your Committee received testimony in opposition to this measure from Catholic Charities Hawaii and Hawaii Appleseed Center for Law and Economic Justice.

Your Committee finds that under existing law, the Hawaii Public Housing Authority is not able to consider an applicant's assets, including motor vehicles, regardless of the value, in determining income eligibility for state low-income public housing. Meanwhile, there are over ten thousand families on the waitlist for low-income public housing. By allowing the Authority to include the value of all motor vehicles registered to an applicant for determining eligibility for low-income public housing, the Authority will be able to focus its efforts on housing those who truly have no other resources to obtain housing.

Your Committee has amended this measure by clarifying that a deceased veteran's widower shall also be given first preference when the Authority selects tenants based upon greatest need.

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. 532, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 532, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 923 Human Services on H.B. No. 1430**

The purpose and intent of this measure is to appropriate funds to establish and operate a comprehensive service center for deaf, hard of hearing, and deaf-blind individuals.

Your Committee received testimony in support of this measure from the Disability and Communication Access Board, Library for the Blind and Physically Handicapped, Community Alliance for Mental Health, Domestic Violence Action Center, and nine individuals. Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that a center providing comprehensive services for deaf, hard of hearing, and deaf-blind individuals in Hawaii has been the dream of the deaf community in Hawaii since 1972. The creation of a comprehensive service center is intended to promote individual growth, social awareness, productivity, and equality by empowering deaf, hard of hearing, and deaf-blind individuals to be full participants in Hawaii's overall community.

Your Committee has amended this measure by:

- (1) Consolidating the two separate appropriations into one appropriation for fiscal years 2013-2014 and 2014-2015 for the establishment and operation of a comprehensive service center for the deaf, hard of hearing, and deaf-blind;
- (2) Inserting an appropriation amount of \$300,000 per fiscal year; 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 H.B. No. 1430, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1430, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 924 (Joint) Health and Commerce and Consumer Protection on H.B. No. 656**

The purpose and intent of this measure is to establish within the Office of the Governor a temporary program specially targeted to initiate and facilitate the health care transformation occurring in Hawaii vis a vis the implementation of the Patient Protection and Affordable Care Act and associated changes in the health care industry.

Your Committees received testimony in support of this measure from the Governor's Office, Healthcare Association of Hawaii, Hawaii Health Information Corporation, and Hawaii Medical Service Association.

Your Committees find that the State provides or pays for health insurance for nearly forty percent of the population. Your Committees also find that increases in premiums for health insurance coverage greatly impact not only the subscribers, but also businesses and the overall economy of the State. With the passage of the Patient Protection and Affordable Care Act, the state of health care in Hawaii is undergoing a dramatic transformation. As a result, your Committees find it necessary to establish and temporarily place in the Office of the Governor the health care transformation program, which shall consider a broad range of initiatives, issues, and strategies, including:

- (1) Standards, measures, and goals to evaluate the quality and cost-effectiveness of health care services;
- (2) Fair and efficient payment models for health care services;
- (3) Streamlined authorization procedures for health care services;
- (4) Improvement and expansion of the use of information technologies to organize, store, safeguard, exchange, and report clinical, cost, educational, technical, administrative, regulatory, and other health care-related data;
- (5) Improvement and promotion of the establishment and use of cost-effective preferred drug lists; and
- (6) Any other issue, solution, or initiative necessary or appropriate to further the principal mission of the program.

Your Committees have amended this measure by:

- (1) Clarifying the purpose of the Act's focus on the study of processes, measures, and other matters directed at improving the quality and cost-effectiveness of health care service, standardization of processes, reducing administrative burdens facing health care providers, and supporting innovation;
- (2) Clarifying one of the Governor's duties under the health care transformation program to identify processes, measures, and goals to evaluate and improve the quality and cost-effectiveness of health care services;
- (3) Adding a directive to the health care transformation program to examine opportunities for administrative uniformity or standardization of processes;
- (4) Inserting language to require the Governor to submit a final report on the health care transformation program to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015;
- (5) Inserting an effective date of July 1, 2013; 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 Health and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 656, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 656, 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.

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

Commerce and Consumer Protection



Ayes, 4. Noes, none. Excused, 3 (Galuteria, Taniguchi, Slom).

**SCRep. 925 Human Services on H.B. No. 2**

The purpose and intent of this measure is to educate individuals about long term care. Specifically, this measure:

- (1) Appropriates funds to the Department of Health's Executive Office on Aging to administer a public education and awareness campaign on long term care and obtain an independent evaluation of the campaign;
- (2) Establishes the goals of the campaign;
- (3) Allows the Executive Office on Aging to develop a public-private partnership to fund and administer the campaign; and
- (4) Requires the Director of the Executive Office on Aging to submit a report on the evaluation of the campaign to the Legislature no later than twenty days prior to the convening of the 2016 Regular Session.

Your Committee received testimony in support of this measure from the Executive Office on Aging, County of Hawaii Office on Aging, Policy Advisory Board for Elder Affairs, AARP Hawaii, Hawaii Family Caregiver Coalition, and seven individuals.

Your Committee finds that many Hawaii residents are unaware of or underestimate the risk of needing long term care in their lifetime. The 2012 Hawaii Long Term Care Commission report concludes that unless residents have basic information about the risks and costs of long term care, it is unlikely that people will devote the time to develop a plan for their long term care or protect themselves by purchasing long term care insurance.

Your Committee further finds that a public awareness campaign can help to create awareness of the need for financing mechanisms to pay for long term care, including a limited public social insurance program.

Your Committee has heard testimony expressing concerns about the costs of a public education and awareness campaign on long term care and requests that your Committee on Ways and Means consider inserting an appropriation amount between \$400,000 and \$650,000.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 926 Commerce and Consumer Protection on H.B. No. 25**

The purpose and intent of this measure is to:

- (1) Allow a planned community association and condominium association, as junior lienholders, to initiate or continue a nonjudicial foreclosure action on a property subject to judicial foreclosure; and
- (2) Repeal the requirement to stay the power of sale foreclosure process pending a circuit court foreclosure action.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association; Hawaii Financial Services Association; Mortgage Bankers Association of Hawaii; Community Associations Institute, Hawaii Chapter; Hawaii Council of Association of Apartment Owners; Hawaiiana Management Company, Ltd.; Valley Isle Resort Association of Apartment Owners; and eight individuals. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that under Hawaii's current foreclosure law, an association cannot foreclose nonjudicially if a lender is foreclosing. Even if an association has already begun a nonjudicial foreclosure before the lender begins the foreclosure, that association's nonjudicial foreclosure must be put on hold or converted to a judicial foreclosure. The judicial foreclosure process can incur significant delays, during which time a property can fall into a state of disrepair, which negatively affects neighboring properties and the community as a whole. This measure provides associations and their surrounding communities with a mechanism to mitigate the damage, neglect, and loss of revenue or value that results during the extended time that is currently required for a mortgagee to judicially foreclose on a property.

Your Committee further finds that this measure may have the unintended consequence of accelerating foreclosures by mortgagees. The removal of an owner-occupant may make the nonjudicial foreclosure process under part II of chapter 667, Hawaii Revised Statutes, more attractive to mortgagees who are currently foreclosing by action via part IA of chapter 667, Hawaii Revised Statutes. Because there would be no owner-occupant resident at the time the foreclosing mortgagee initiated a foreclosure pursuant to section 667-22, Hawaii Revised Statutes, the foreclosure would not be subject to the dispute resolution provisions in part V of chapter 667, Hawaii Revised Statutes.

Your Committee notes that the Senate companion to this measure, S.B. No. 508, S.D. 1, which was previously heard by your Committee, preserves the right of owner-occupants to require a foreclosing mortgagee to participate in the mortgage foreclosure dispute resolution process when an association forecloses on residential real property occupied by owner-occupant mortgagors and the mortgagee subsequently forecloses its lien on the same property. The language in S.B. No. 508, S.D. 1, is preferable because it ensures that a mortgagor's right to opt in to the mortgage foreclosure dispute resolution program is not circumvented.

Your Committee has heard testimony relating to the ability of an owner-occupant mortgagor to participate in the mortgage foreclosure dispute resolution program. Your Committee also finds that even if an association has the ability to take possession of a unit and rent it out, the original owner-occupant mortgagor is still liable for the mortgage debt. Your Committee additionally finds that when a mortgagee forecloses on a unit, the mortgagee forecloses on the mortgagor's interest, and it is therefore appropriate to preserve the mortgagor's right to participate in the mortgage dispute resolution program. Nevertheless, your Committee concludes that

amendments to the language in S.B. No. 508, S.D. 1, are necessary to clarify that the remedies provided are only available in situations where an association forecloses on residential real property occupied by one or more owner-occupant mortgagors for whom the unit is and has been the person's primary residence.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 508, S.D. 1, a substantively similar measure, which:
  - (A) Allows a condominium association, as a junior lienholder, to commence or continue a nonjudicial foreclosure action on a property subject to a judicial foreclosure even if the lender has filed for foreclosure;
  - (B) Preserves the right of owner-occupants to require the foreclosing mortgagee to participate in the dispute resolution process in situations where an association forecloses on residential real property occupied by owner-occupant mortgagors and the mortgagee subsequently forecloses its lien on the same property; and
  - (C) Inserts an effective date of upon approval; and
- (2) Further amending this measure by:
  - (A) Clarifying that the right of owner-occupants to require the foreclosing mortgagee to participate in the dispute resolution process is preserved in situations where an association forecloses on residential real property occupied by one or more owner-occupant mortgagors for whom the unit is and has been the person's primary residence for a continuous period of not less than two hundred days immediately preceding the date on which the notice is served and the mortgagee subsequently forecloses its lien on the same property;
  - (B) Amending the purpose section for clarity; and
  - (C) Making 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. 25, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 25, 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 (Taniguchi, Slom).

**SCRep. 927 Commerce and Consumer Protection on H.B. No. 144**

The purpose and intent of this measure is to:

- (1) Add definitions and registration and fee requirements to chapter 373K, Hawaii Revised Statutes;
- (2) Require notification to the Department of Taxation of professional employer organization violations for general excise tax exemption purposes;
- (3) Allow professional employer organizations to be successor employers to client companies;
- (4) Establish a sliding scale bond requirement for professional employer organizations based upon annual payrolls; and
- (5) Repeal chapter 373L, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Association of Professional Employer Organizations; Hawaii Human Resources, Inc.; and Talent HR Solutions LLC. Your Committee received comments on this measure from the Department of Labor and Industrial Relations; Department of Taxation; ProService Hawaii; ALTRES, Inc.; and Tax Foundation of Hawaii.

Your Committee finds that chapter 373K, Hawaii Revised Statutes, was codified in 2007 to allow professional employer organizations to become eligible for the general excise tax exemption under section 237-24.75, Hawaii Revised Statutes. Chapter 373L, Hawaii Revised Statutes, was codified in 2010 to regulate the professional employer organization business by enforcing regulation and bonding requirements. Your Committee further finds that effective implementation of both chapters has been hampered by incompatible and ambiguous language.

Your Committee notes that the Senate companion to this measure, S.B. No. 510, S.D. 2, which was previously passed by the Senate, contains language that addresses the major concerns of the Department of Labor and Industrial Relations, Department of Taxation, and large and small professional employer organizations while also maintaining sufficient oversight to safeguard employees' rights and benefits. The language in S.B. No. 510, S.D. 2, is preferable because it simplifies and streamlines existing laws related to professional employer organizations and ties compliance with the regulatory functions required by chapter 373L, Hawaii Revised Statutes, to the general excise tax exemption provided for in section 237-24.75, Hawaii Revised Statutes.

Your Committee additionally finds that the language in S.B. No. 510, S.D. 2, is a collaborative effort between interested parties that ensures all professional employer organizations are appropriately registered with the Department of Labor and Industrial Relations and have all applicable certificates of authority from the Department of Commerce and Consumer Affairs. The language in S.B. No. 510, S.D. 2, also ensures that the general excise tax exemption offered by the Department of Taxation is only available to the professional employer organizations that have complied with all necessary requirements under chapter 373L, Hawaii Revised Statutes.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with the contents of S.B. No. 510, S.D. 2, a substantively similar measure, which:

- (A) Repeals chapter 373K, Hawaii Revised Statutes;
  - (B) Clarifies professional employer organization responsibilities with respect to meeting the statutory requirements of the repealed chapter 373K, Hawaii Revised Statutes, and the nexus between the registration of professional employer organizations and qualification for the state general excise tax exemption;
  - (C) Requires professional employer organizations to obtain a bond on a sliding scale that is based on total payroll amount; and
  - (D) Inserts an effective date of July 1, 2050; and
- (2) Further amending this measure by:
- (A) Specifying that a letter of credit that is equivalent to the required bond amount may be used as a substitute for a surety bond; and
  - (B) Making 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. 144, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 144, 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 (Taniguchi, Slom).

**SCRep. 928 (Majority) Education on H.B. No. 865**

The purpose and intent of this measure is to authorize the Board of Education and the Department of Education to facilitate the redevelopment of public school lands in order to generate income to improve public school facilities and infrastructure.

Your Committee received testimony in support of this measure from the Governor, Board of Education, Department of Education, Office of the Mayor of the City and County of Honolulu, Land Use Research Foundation of Hawaii, Hui for Excellence in Education, Windward Ahupua'a Alliance, and two individuals. Your Committee received testimony in opposition to this measure from Puna Pono Alliance and twenty-seven individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs and Department of Planning and Permitting of the City and County of Honolulu.

Prior to holding a 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 the language of S.B. No. 237, S.D. 2, which establishes a three-year pilot program for the lease of public school land and facilities to generate revenue to build and retrofit twenty-first century schools and create more school-centered communities. The proposed S.D. 1 also establishes the school facilities special fund within chapter 302A, Hawaii Revised Statutes, into which all proceeds generated from the lease of public school lands shall be deposited.

Your Committee received testimony in support of the proposed S.D. 1 from the Department of Education, Hawaii Community Development Authority, Office of the Mayor of the City and County of Honolulu, The Pacific Resource Partnership, Building Industry Association of Hawaii, Hawaii Institute for Public Affairs, General Contractors Association of Hawaii, The Chamber of Commerce of Hawaii, Land Use Research Foundation of Hawaii, and Sierra Club Hawai'i Chapter. Your Committee received comments on the proposed S.D. 1 from the Governor, Office of Hawaiian Affairs, and Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds that many school facilities are in dire need of repair, maintenance, and improvement of systems and infrastructure to meet twenty-first century challenges in technology and education. The proposed S.D. 1 establishes a pilot program as one option to capture revenues from currently unused or underutilized public school lands that may yield much-needed revenues for Hawaii's schools after redevelopment.

Your Committee further finds that a community-based policy and planning approach will be critical to the success of the pilot program. A three-year pilot program will serve as "proof in concept" to test and evaluate development, design, and financial models, while giving communities the opportunity to provide input and to better understand the concept of community-centered twenty-first century schools.

Your Committee notes the concerns raised by the Department of Planning and Permitting of the City and County of Honolulu and requests that should any of the pilot program's projects involve county land that will be redeveloped for non-school purposes, that the Board of Education and Department of Education consult with the affected county.

Your Committee has amended this measure by adopting the language in the proposed S.D. 1 and further amending the measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 865, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 865, H.D. 1, S.D. 1, and be 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. 929 Human Services on H.B. No. 276**

The purpose and intent of this measure is to address the affordable rental housing needs of Hawaii's aging population by authorizing the issuance of general obligation bonds and making an appropriation for the construction of the Senior Residence at Piikoi, Oahu.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, City and County of Honolulu Department of Community Services, and Pacific Housing Assistance Corporation.

Your Committee finds that with the aging of Hawaii's population, the need for affordable rental housing becomes especially acute for senior citizens. Nearly twenty-nine percent of Hawaii's population is over fifty years of age. Facing challenging economic conditions, the ability to meet monthly housing expenses is a constant and growing concern for senior renters.

Your Committee has heard testimony expressing concerns about the costs for the construction of the Senior Residence at Piikoi, Oahu, and requests that your Committee on Ways and Means consider inserting an amount of \$10,000,000 for the authorization to issue general obligation bonds and appropriating the same amount for the Senior Residence at Piikoi.

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. 276, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 930 Human Services on H.B. No. 395**

The purpose and intent of this measure is to address the need for access to safe places for youth in the State by:

- (1) Requiring the Office of Youth Services to coordinate a two-year Safe Places for Youth Pilot Program in partnership with private organizations, to coordinate a network that youth may access for safety and where they may obtain advice, guidance, programs, and services;
- (2) Establishing a Safe Places for Youth Pilot Program Coordinator position to, among other things, coordinate the safe places for youth network; and
- (3) Appropriating an unspecified amount of funds for the Safe Places for Youth Pilot Program Coordinator position and residential options for the pilot program.

Your Committee received testimony in support of this measure from the Department of Education, Office of Youth Services, Hawaii Youth Services Network, Adult Friends of Youth, IMUAlliance, Pacific Alliance to Stop Slavery, Blueprint for Change, and sixty-two individuals. Your Committee received comments on this measure from the Domestic Violence Action Center and one individual.

Your Committee finds that Hawaii is one of the safest and healthiest places in the nation for children and youth. However, many of Hawaii's youth are not immune to daily threats to their health and safety. Every year, youth run away from homes where abuse, neglect, and domestic violence are commonplace, or from schools where intolerable bullying becomes a major barrier to educational achievement. Without access to safe places, youth in these situations are vulnerable and may be victimized by predatory adults who lure them into consuming alcohol, substance abuse, or prostitution.

Your Committee has amended this measure by adding language to amend section 571-46, Hawaii Revised Statutes, to require the court, when awarding custody and visitation of a minor child, to consider the preference that custody should be awarded to both parents to ensure maximum continuing physical, emotional, and meaningful contact with both parents.

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. 395, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 395, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 931 (Joint) Human Services and Health on H.B. No. 398**

The purpose and intent of this measure is to require child care facilities, including family child care homes, group child care centers, and group child care homes, and infant and toddler child care centers that are registered or licensed by the Department of Human Services to provide care for children less than one year of age to develop, maintain, and implement safe sleep policies, in accordance with rules adopted by the Department of Human Services, to prevent sudden unexpected infant death and sudden infant death syndrome.

Your Committees received testimony in support of this measure from the Child and Family Service, PATCH, Big Island Adult Foster Home Operators, Alliance of Residential Care Administrators, United Group of Home Operators, and forty-nine individuals. Your Committees received comments on this measure from the Department of Health, Department of Human Services, and Nightingale Case Management.

Your Committees find that Hawaii is one of only seven states that do not regulate sleep positions in child care centers or family child care homes. Requiring child care facilities that care for children under the age of one year to implement safe sleep policies will help to prevent infant deaths caused by unsafe sleeping environments and positions.

Your Committees have amended this measure by:

- (1) Adding language to establish a task force to address issues affecting home and community-based facilities during the transition of services from the Department of Human Services to the Department of Health and to require the task force to report its findings to the Legislature no later than twenty days prior to the convening of the 2014 Regular Session;
- (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. 398, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 398, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Health

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

**SCRep. 932 (Joint) Tourism and Hawaiian Affairs and Technology and the Arts on H.B. No. 109**

The purpose and intent of this measure is to:

- (1) Require, beginning January 1, 2014, newly rendered, created, replaced, or reprinted state and county documents, letterheads, symbols, and emblems that include Hawaiian words to contain accurate, appropriate, and authentic Hawaiian words;
- (2) Establish applicable references for accurate, appropriate, and authentic Hawaiian names and words; and
- (3) Clarify that misspelled or incorrectly punctuated Hawaiian words and names shall not invalidate documents or render them unenforceable.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs; Association of Hawaiian Civic Clubs; and Oahu Council, Association of Hawaiian Civic Clubs. Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that since 1978, the State has reaffirmed Hawaiian as one of its official languages, and the Legislature has supported efforts to incorporate the Hawaiian language into official state writings, emblems, and signs. The use of proper Hawaiian macrons and glottal stops not only shows the deserved respect for the native language of these islands, but also fully comports with the intent and purpose of the Hawaii State Constitution.

Your Committees have amended this measure by deleting its contents and replacing them with the language of S.B. No. 236, S.D. 1, which:

- (1) Requires that beginning January 1, 2015, all letterheads, symbols, and emblems of the State and counties include accurate and appropriate Hawaiian names and language;
- (2) Establishes references for accurate, appropriate, and authentic Hawaiian names and words, including proper Hawaiian spelling and punctuation; and
- (3) Inserts an effective date of July 1, 2014.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 109, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 109, 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.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Shimabukuro).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 933 (Joint) Agriculture and Water and Land on H.B. No. 1263**

The purpose and intent of this measure is to finance improvements to various irrigation systems by:

- (1) Appropriating funds for the East Kauai irrigation system; and
- (2) Authorizing the Director of Finance to issue general obligation bonds and appropriating funds for the Ka'u irrigation system, Waiahole irrigation system, and Menehune Ditch irrigation system.

Your Committees received testimony in support of this measure from the Department of Agriculture, Agribusiness Development Corporation, Hawaii Farm Bureau Federation, Hawaii Cattlemen's Council, Inc., Land Use Research Foundation of Hawaii, and Uluono Initiative. Your Committees received comments on this measure from the Department of Budget and Finance.

Your Committees find that reliable irrigation systems are vital to Hawaii's agricultural industry. Recent droughts have highlighted the need for repair and maintenance of the irrigation systems in the State. Your Committees conclude that this measure is necessary to provide necessary funding to maintain and improve Hawaii's irrigation systems.

Your Committees have amended this measure by:

- (1) Clarifying that the Waiahole irrigation system includes the irrigation system servicing the former Galbraith Estate; and
- (2) Clarifying that the Director of Finance is authorized to issue general obligation bonds in the amount of \$3,000,000 and appropriating that amount for the Waiahole/Galbraith Estate irrigation system.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1263, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1263, 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.

Agriculture

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

Water and Land

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

**SCRep. 934 (Joint) Human Services and Health on H.B. No. 1258**

The purpose and intent of this measure is to:

- (1) Allow the Policy Advisory Board for Elder Affairs to honor a non ex-officio member with an honorary kupuna title;
- (2) Require the Governor to consider the honorary title when considering the honoree's reappointment to the Board; and
- (3) Authorize the Governor to reappoint an honoree for continued terms over the honoree's lifetime.

Your Committees received testimony in support of this measure from the County of Hawaii Office on Aging, Policy Advisory Board for Elder Affairs, and one individual.

Your Committees find that current lifetime non ex-officio members of the Policy Advisory Board for Elder Affairs are not granted all of the privileges of regular membership, including the right to vote. These lifetime members are honored and respected members of the aging community and deserve to be treated as full members of the Board.

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. 1258, 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.

Human Services

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

Health

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

**SCRep. 935 (Joint) Tourism and Hawaiian Affairs and Technology and the Arts on H.B. No. 1089**

The purpose and intent of this measure is to designate October as Kalo Appreciation Month.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs; Association of Hawaiian Civic Clubs; Oahu Council, Association of Hawaiian Civic Clubs; and Taro Security and Purity Task Force.

Your Committees find that kalo, the Hawaiian word for taro, is a culturally significant plant to the kanaka maoli, Hawaii's indigenous people, and to the State. In 2007, the Legislature named kalo the official plant of Hawaii. This measure encourages all people of Hawaii to honor the rich culture and history of the kalo plant during the month of October.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1089, 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.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Shimabukuro).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 936 Transportation and International Affairs on Gov. Msg. No. 590**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 590 STEVEN KYONO, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Steven Kyono to possess the requisite qualifications to be nominated to the State Highway Safety Council.

Your Committee received testimony in support of Steven Kyono from the Department of Transportation, The Chamber of Commerce of Hawaii, and one individual.

Mr. Steven Kyono is the Vice President in charge of SSFM International, Inc.'s Kauai Island Office. In this role, he manages SSFM personnel and office affairs, serves as the principal point-of-contact for SSFM's Kauai clients, and provides project management

services on specific projects. He also maintains a close relationship with government agencies on the Island of Kauai and serves as a member of SSFM's government affairs group. Mr. Kyono was with the Department of Transportation, Highways Division, in Lihue, Hawaii, as District Engineer from 1991 to 2008, and from 1975 to 1984 as Civil Engineer I through IV. He was with the County of Kauai, Department of Public Works, in Lihue, Hawaii, as County Engineer from 1986 to 1990. Mr. Kyono has also worked for private engineering firms.

Your Committee notes Mr. Kyono's statement in response to the Committee's questionnaire of the three qualities that would make him stand out and benefit the State Highway Safety Council: "I would say that the three qualities that best describe me are assertive, intuitive, and practical. I believe that these qualities would benefit the Council by allowing me to have a forum in which I'm able to apply the knowledge, skills, and experience that I've gained by working as a highway engineer." Your Committee agrees with Mr. Kyono's assessment and finds that he would be a valuable asset to the Council.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 3 (Espero, Gabbard, Slom).

**SCRep. 937 Commerce and Consumer Protection on Gov. Msg. No. 614**

Recommending that the Senate advise and consent to the nomination of the following:

**STATE BOARD OF NURSING**

G.M. No. 614 THOMAS JOSLYN, for a term to expire 6-30-2017. (Term amended to 6-30-2016 by GM706)

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Thomas Joslyn to possess the requisite qualifications to be nominated to the State Board of Nursing.

Your Committee received testimony in support of the nomination of Thomas Joslyn from the Department of Commerce and Consumer Affairs and ten individuals.

Upon review of the testimony, your Committee finds that Mr. Joslyn's extensive experience, commitment to the nursing profession, and desire to contribute to his community qualify him for appointment to the State Board of Nursing. Your Committee notes that Mr. Joslyn is an Advanced Practice Registered Nurse who has spent the majority of his career in Nurse Anesthesiology, where he has worked as a Certified Registered Nurse Anesthetist for almost thirty years. Mr. Joslyn currently serves as a Staff Nurse Anesthetist at Tripler Army Medical Center and has administered over fifteen thousand anesthetics during his career. Mr. Joslyn has also been an educator for seventeen years, previously teaching anesthesia as an adjunct professor with the University of Kansas Nurse Anesthesia Education Department and currently teaching as an adjunct professor at the United States Army School of Anesthesia at Tripler Army Medical Center. Mr. Joslyn is a current board member and past President of the Hawaii Association of Nurse Anesthetists, a member of the State Board of Nursing Advanced Practice Registered Nurse Advisory Council, and a member of the Hawaii State Center for Nursing Strategic Planning Committee. Your Committee further finds that Mr. Joslyn is well qualified to serve on the State Board of Nursing and recommends his appointment to the State Board of Nursing based on his knowledge, experience, and dedication to the field of nursing and the public.

As affirmed 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 (Taniguchi, Wakai).

**SCRep. 938 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on H.B. No. 363**

The purpose and intent of this measure is to make an appropriation to the Department of Health to demolish the Ewa Beach fire station and construct an energy-efficient and environmentally-sustainable emergency medical services facility at the same location.

Your Committees received testimony in support of this measure from the Department of Health and Healthcare Association of Hawaii.

Your Committees find that the relocation of Honolulu Fire Department engine twenty-four, which services Ewa Beach, could result in longer emergency response times to the Ewa Beach area. Your Committees further find that the prior location of engine twenty-four is an ideal location for an ambulance service.

Additionally, prior to the hearing on this measure, your Committees received a request for an additional appropriation for emergency medical services for the community of Makalei. Your Committees find that the Makalei area is presently without an ambulance service and that providing ambulance services is essential to providing life-saving medical response services to West Hawaii.

Your Committees have amended this measure by:

- (1) Inserting an appropriation of \$500,000 for fiscal years 2013-2014 and 2014-2015 for the establishment of an ambulance service at the Makalei fire station; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 363, H.D. 2, as

amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 363, 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.

Health

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

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 939 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1136**

The purpose and intent of this measure is to make an appropriation to the Department of Defense for the Civil Air Patrol.

Your Committee received testimony in support of this measure from the Department of Defense, State Civil Defense, Department of Transportation, Civil Air Patrol, West Oahu Composite Squadron Civil Air Patrol, and twenty individuals.

Your Committee finds that the Civil Air Patrol supports State Civil Defense and emergency management agencies in all of Hawaii's counties by performing vital emergency functions, which includes conducting tsunami warnings and performing search and rescue after disasters. This measure provides funding for the Civil Air Patrol to support its facilities and training for pilots and personnel.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1136, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 940 Public Safety, Intergovernmental and Military Affairs on H.B. No. 527**

The purpose and intent of this measure is to repeal the Uniform Maintenance Allowance for enlisted personnel of the Hawaii National Guard.

Your Committee received testimony in support of this measure from the Department of Defense.

Your Committee finds that modern uniforms are made of wash and wear materials that no longer require dry cleaning, which eliminates the need for professional laundering. Your Committee further finds that the numerous benefits accorded by the State to National Guard and other military members in recent years will more than cover the loss in funds should the Uniform Maintenance Allowance be repealed.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 527, 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 (Green).

**SCRep. 941 Public Safety, Intergovernmental and Military Affairs on H.B. No. 33**

The purpose and intent of this measure is to make permanent the prohibition against urinating or defecating in public within the boundaries of Downtown Honolulu.

Your Committee received testimony in support of this measure from the Police Department, City and County of Honolulu and Downtown Neighborhood Board No. 13. Your Committee received testimony in opposition to this measure from the American Civil Liberties Union of Hawaii.

Your Committee finds that in 2012, thirty-three citations were issued for urinating and defecating in public in Downtown Honolulu, an issue that continues to be a problem for the area. This measure protects the right of those who live, work, and visit downtown Honolulu to a sanitary and safe area.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 33, 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 (Green).

**SCRep. 942 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1103**

The purpose and intent of this measure is to require the assessment of impact fees prior to the issuance of a water meter and collection of impact fees in full prior to or upon the issuance of a water meter.

Your Committee received testimony in support of this measure from the Department of Water, County of Kauai and Board of Water Supply, City and County of Honolulu. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii.

Your Committee finds that the current timing of collection of impact fees for water meters in certain counties, such as Kauai, does not allow sufficient flexibility for planning or to account for changes that may be made up until the time the water meters are installed.



Your Committee has amended this measure by:

- (1) Deleting the purpose section and the savings clause;
- (2) Inserting an effective date of July 1, 2050, to encourage 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1103, 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 (Green).

**SCRep. 943 Public Safety, Intergovernmental and Military Affairs on H.B. No. 369**

The purpose and intent of this measure is to:

- (1) Establish a Residential Kitchen Fire Task Force to review data, insurance rating plans and methodology, financial incentives for voluntary pre-mitigation systems, and regulations regarding residential kitchen fires; and
- (2) Require the Residential Kitchen Fire Task Force to submit a report of its findings and recommendations to the Legislature.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, State Fire Council, and Plumbers and Fitters Union, Local 675. Your Committee received comments on this measure from the Building Industry Association.

Your Committee finds that it is in the interest of the State to enhance public safety by encouraging the voluntary installation of fire suppression systems to reduce the occurrence and severity of residential kitchen fires. This measure is necessary to establish a task force to evaluate issues and concerns regarding fire protection measures that can be taken to protect Hawaii's residents from kitchen fires, which devastate property and cause injuries or death.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 369, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 369, 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, 5. Noes, none. Excused, none.

**SCRep. 944 (Joint) Public Safety, Intergovernmental and Military Affairs and Tourism and Hawaiian Affairs on H.B. No. 218**

The purpose and intent of this measure is to add the Administrator of the Office of Hawaiian Affairs and a member of the public who is knowledgeable about issues relating to the criminal justice system and has substantial experience or expertise in traditional Native Hawaiian practices, to the Corrections Population Management Commission.

Your Committees received testimony in support of this measure from the Department of Public Safety, Office of Hawaiian Affairs, Community Alliance on Prisons, and three individuals.

Your Committees find that the Corrections Population Management Commission is charged with making recommendations to the Legislature and other appropriate authorities concerning a broad array of criminal justice issues. Your Committees further find that there is an overrepresentation of Native Hawaiians in the criminal justice system. This measure ensures that the voice of the Native Hawaiian community is heard when addressing criminal justice policies and programs.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 218, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 218, 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.

Public Safety, Intergovernmental and Military Affairs

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

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Shimabukuro, Slom).

**SCRep. 945 (Joint) Water and Land and Tourism and Hawaiian Affairs on H.B. No. 1412**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to accommodate the mooring of native Hawaiian canoes owned by nonprofit entities and used for educational purposes in small boat harbors, insofar as practicable.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources and one individual.

Your Committees find that the traditional native Hawaiian practice of using native Hawaiian canoes needs to be preserved and perpetuated in the interests of promulgating the native Hawaiian culture. Mooring of native Hawaiian canoes in small boat harbors is a practical necessity, especially for a nonprofit entity operating native Hawaiian canoes for educational purposes.

Your Committees have amended this measure by deleting the phrase “insofar as practicable,” which may severely limit the availability of moorings.

As affirmed by the records of votes of the members of your Committees on Water and Land and Tourism and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1412, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1412, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Keith-Agaran, Slom).

**SCRep. 946 Transportation and International Affairs on H.B. No. 1059**

The purpose and intent of this measure is to protect the rights of aliens in criminal proceedings in state courts by informing the alien defendant of the possible consequences to entering a guilty plea and its impact on the alien’s admission to the United States.

Your Committee received testimony in support of this measure from the Federal Public Defender, Department of the Attorney General, Office of the State Public Defender, County of Maui Prosecuting Attorney, Honolulu Prosecuting Attorney, and two individuals. Your Committee received comments on this measure from the Judiciary.

Your Committee finds that the current language of section 802E-2, Hawaii Revised Statutes, relating to court advisement concerning alien status, was enacted in 1988 and has not been amended since then. Your Committee further finds that a United Supreme Court case (*Padilla v. Kentucky*, 559 U.S. 356 (2010)), and a Ninth Circuit Court of Appeals case (*Nunes-Reyes v. Holder*, 646 F.3d. 684 (2011)) requires that section 802E-2, Hawaii Revised Statutes, be updated to conform to current federal court holdings. Furthermore, the current language is not consistent with Rule 11(c)(5) of the Hawaii Rules of Penal Procedure. This measure updates the current federal law and remedies those inconsistencies.

Section 802E-1, Hawaii Revised Statutes, states: “The legislature finds that in many instances involving an individual who is not a citizen of the United States charged with an offense punishable as a crime under state law, a plea of guilty or nolo contendere is entered without the defendant knowing that a conviction of such offense is grounds for deportation, exclusion from admission to the United States, or denial of naturalization pursuant to the laws of the United States.”

Your Committee is concerned that there are a number of aliens who come before the criminal courts whose immigration status may be affected by the outcome of their case.

Your Committee has amended this measure by:

- (1) Repealing the existing section 802E-2, Hawaii Revised Statutes, and inserting a new section to chapter 802E, Hawaii Revised Statutes, in its place, in the interest of enhancing readability and as recommended by the Department of the Attorney General;
- (2) Inserting language in the new section requiring the advisement to be administered prior to the arraignment and plea hearing, as recommended by the Office of the Public Defender; 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 H.B. No. 1059, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1059, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 7. Noes, none. Excused, 2 (Dela Cruz, Solomon).

**SCRep. 947 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on H.B. No. 977**

The purpose and intent of this measure is to conform the Hawaii Revised Statutes relating to commercial driver licensing with the most recent federal regulations. Specifically, this measure requires a commercial learner’s permit as a pre-condition for issuing a commercial driver license and also adopts various other changes to enhance the commercial driver license program.

Your Committees received testimony in support of this measure from the Department of Transportation.

Your Committees find that the commercial learner's permit is intended to enhance the qualification of commercial motor vehicle drivers by ensuring that they obtain a commercial learner's permit before applying for a commercial driver license, therefore helping to ensure that only qualified drivers are allowed to operate commercial motor vehicles on our state highways.

According to testimony of the Department of Transportation, a state must come in substantial compliance with the federal requirements as contained in this measure as soon as practicable but not later than July 8, 2014. Failure to enact the changes could result in the loss to Hawaii of approximately \$5,500,000 (or five percent of \$109,016,036 federal-aid highway funds for the first year of non-compliance and \$10,900,000, or 10 percent, per year thereafter, based on fiscal year 2010-2011 funding.

Your Committees have amended this measure by:

- (1) Correcting a statutory cross reference in section 1 on the recommendation of the Department of Transportation;
- (2) Correcting language in section 1 to place the new material in part XIII, instead of part VIII, of chapter 286, Hawaii Revised Statutes; 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 Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 977, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 977, 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.

Transportation and International Affairs  
Ayes, 7. Noes, none. Excused, 2 (Dela Cruz, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 948 (Joint) Transportation and International Affairs and Judiciary and Labor on H.B. No. 980**

The purpose and intent of this measure is to prohibit the use of cellular phones and other mobile electronic devices while operating a vehicle, with certain exceptions, and to specifically prohibit activities such as texting, instant messaging, gaming, and emailing, which take a driver's eyes off the road, mind off the road, and hands off the wheel.

Your Committees received testimony in support of this measure from the Department of Transportation, Honolulu Police Department, State Highway Safety Council, Property Casualty Insurers Association of America, Alliance of Automobile Manufacturers, and one individual. Your Committees received testimony in opposition to this measure from Office of the Public Defender.

Your Committees find that the task of driving requires a driver's full attention in focusing on the roadway and driving maneuvers. Any distraction that diverts a driver's attention from the primary tasks of maneuvering the vehicle and responding to critical events increases the driver's risk of being involved in a motor vehicle crash.

The new federal surface transportation bill, Moving Ahead for Progress in the 21st Century Act (MAP-21) (P.L. 112-141), passed by Congress in 2012, authorizes \$22,500,000 in federal fiscal year 2013 and \$23,100,000 in federal fiscal year 2014 to be distributed to the states that have a distracted driver state law. Hawaii is not eligible for this funding due to the absence of a statewide distracted driving statute. Although, enactment of this bill is redundant because all four counties already have enacted distracted driving statutes, which the federal government refuses to acknowledge.

Your Committees have amended this measure by:

- (1) Deleting references to suspension of license as a penalty;
- (2) Changing the effective date to July 1, 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 Transportation and International Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 980, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 980, 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.

Transportation and International Affairs  
Ayes, 7; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Dela Cruz, Solomon).

Judiciary and Labor  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Hee).

**SCRep. 949 Human Services on H.B. No. 535**

The purpose and intent of this measure is to help address the complex problem of homelessness by authorizing the Department of Human Services, in consultation with the mayors of the applicable counties and public or private homeless assistance programs, to designate in each county, temporary nighttime parking lots to provide safe overnight parking for homeless individuals who live and sleep in their motor vehicles and would otherwise park overnight on public or private roads or property.

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, City and County of Honolulu, Hawaii Bankers Association, Hawaii Credit Union League, and two individuals. Your Committee received comments on this measure from HawaiiUSA Federal Credit Union and one individual.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed S.D. 1, which deletes the contents of this measure and inserts language to:

- (1) Require the Department of Human Services, in consultation with other state and county agencies, to support a procedure for identifying locations that may be used for temporary emergency homeless shelters;
- (2) Require each county to fund government agencies and profit and non-profit organizations that want to designate and maintain their parking lots as temporary emergency shelters; and
- (3) Authorize and appropriate funds for the Department of Human Services, in consultation with the mayor of the applicable county and any interested homeless assistance programs, to designate in each county temporary nighttime parking lots to provide safe overnight parking for homeless individuals who live and sleep in their motor vehicles and who would otherwise park overnight in public or private roads or property.

Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Human Services and Department of Public Safety. Your Committee received comments on the proposed S.D. 1 from the Hawaii Medical Service Association.

Your Committee finds that homelessness continues to be one of the State's most significant and challenging social problems. The number of homeless persons in the State, estimated to be approximately six thousand on any given day, is indicative of the limited shelter space available.

Your Committee further finds that new and innovative solutions are needed to address the homelessness crisis. Oregon, for example, has adopted laws that authorize political subdivisions to allow religious institutions to offer overnight camping space for homeless persons living in vehicles. Similarly, Santa Barbara, California, has instituted a program that allows private organizations to use county-owned parking lots to provide overnight sleeping space for homeless persons with vehicles.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 535, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 535, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 950 Human Services on H.B. No. 536**

The purpose and intent of this measure is to authorize the Hawaii Public Housing Authority to not select or to terminate from state low-income housing any applicant or tenant if the applicant, tenant, or a household member owns or acquires a home within the State.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and Homeless and Affordable Housing Institute.

Your Committee finds that under existing law, the Hawaii Public Housing Authority is not able to consider whether an applicant is a homeowner in determining eligibility of living in low-income public housing. Meanwhile, there are over ten thousand families on the waitlist for low-income public housing. By allowing the Authority to deny acceptance for or terminate the tenancy of an individual or family who owns or acquires a home, the Authority will be able to house those who truly have no other means of shelter.

During the hearing on this measure, your Committee heard testimony expressing concerns about victims of crime and hopes that the Authority will look into exempting victims of criminal activity, such as domestic abuse and sexual assault, from having to return to an unsafe environment. Your Committee finds that this issue merits further consideration and requests that your Committee on Ways and Means further examine the issue raised by testimony on this measure.

Your Committee has amended this measure by clarifying that a deceased veteran's widower shall also be given first preference when the Authority selects tenants based upon greatest need.

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. 536, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 536, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 951 Human Services on H.B. No. 1298**

The purpose and intent of this measure is to assist developmentally, intellectually, or physically disabled individuals in obtaining employment by providing an incentive for employers to hire these individuals. Specifically, this measure establishes a nonrefundable income tax credit for employers that hire developmentally, intellectually, or physically disabled individuals that is equal to fifty percent of the individual's qualified wages for the first six months the individual is employed.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Hawaii Disability Rights Center, and Lanakila Pacific. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that Hawaii is one of the lowest ranking states in the nation in terms of employing individuals with intellectual or development disabilities. The trend is toward fully integrated employment of individuals with disabilities, which provides them with the self-esteem and gratification that comes with being a fully participating member of society. Additionally, employment contributes to their economic self-sufficiency and makes individuals with disabilities less dependent on taxpayer-funded assistance.

Your Committee is concerned about businesses that currently employ individuals with a disability. To qualify for this tax credit, some businesses may be inclined to consider terminating employees with a disability before December 31, 2013, and then rehire the terminated employees in 2014 to take advantage of the tax credit. The intent of this measure is not to cause termination of their employment, even if only to rehire them during the tax credit period. Your Committee finds that this issue raises concerns and requests that your Committee on Ways and Means further examine this issue.

Your Committee has amended this measure by:

- (1) Changing references from “developmentally, intellectually, or physically disabled individuals” to “individuals with a disability”;
- (2) Deleting language that would have required that a person be confirmed as having a disability by a non-profit organization working with disabled individuals;
- (3) Specifying that qualified wages are those wages for work tendered during the six-month period after initial hiring, to prevent the firing and re-hiring of a disabled employee every six months to reset the qualifying period; and
- (4) Specifying that this measure shall apply to taxable years beginning after December 31, 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. 1298, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1298, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Taniguchi).

**SCRep. 952 Higher Education on H.B. No. 115**

The purpose and intent of this measure is to:

- (1) Establish the campus planning facility board, major repairs and replacement special fund, and major repairs and replacement fee, which is five percent of all gross revenues received by the University of Hawaii, to address the University of Hawaii’s repair and maintenance needs;
- (2) Require the following to be transferred into the major repairs and replacement special fund:
  - (A) Ten percent of the balances of all special funds of the University of Hawaii for fiscal year 2014-2015; and
  - (B) Ten percent of the balances of all special funds of the University of Hawaii for fiscal year 2015-2016;
- (3) Authorize the issuance of general obligation bonds for fiscal years 2013-2014 and 2014-2015, the revenues of which shall be deposited into the major repairs and replacement special fund; and
- (4) Appropriate funds out of the major repairs and replacement special fund to the University of Hawaii to fund repair and maintenance projects on the University’s backlog list that have been approved by the campus planning facility board, subject to certain requirements.

Your Committee received comments on this measure from the Department of Budget and Finance and University of Hawaii’s System.

Your Committee finds that in response to Act 106, Session Laws of Hawaii 2012, the University of Hawaii undertook the University of Hawaii Facility Renewal Reinvestment Study. The Study determined that the University is facing a total of over \$460,000,000 in systemwide maintenance and repair backlog.

Your Committee further finds that eighty-five thousand students use facilities at university campuses systemwide. It is essential to the future of the University of Hawaii and its students and faculty that a safe and proper learning environment be provided and maintained. This measure will give the University of Hawaii options to deal with the repair and maintenance backlog.

As this measure moves forward, your Committee requests your Committee on Ways and Means to explore the possibility of providing the University of Hawaii with a recurring source of funding to address the University’s repair and maintenance needs, which will help alleviate the current backlog.

Your Committee has amended this measure by:

- (1) Delaying the collection and transfer of the major repairs and replacement fee from July 1, 2017, to July 1, 2018;
- (2) Adding language to require the University of Hawaii to conduct a financial and statutory analysis of:
  - (A) The impact of the deduction of five percent of all gross revenues received by the University of Hawaii for deposit into the major repairs and replacement special fund; and
  - (B) All university special funds to:

- (i) Identify special funds that have either state or federal prohibitions against the transfer of ten percent from the special funds into the major repairs and replacement special fund;
  - (ii) Identify those special funds from which repair and maintenance is already funded; and
  - (iii) Examine whether the special funds will have sufficient revenues to carry out their statutory purposes after the transfer of ten percent from the special funds into the major repairs and replacement special fund;
- (3) Adding language to require the University of Hawaii to report to the Legislature its findings and recommendations, including any proposed legislation, based on the analysis described in paragraph (2);
  - (4) Delaying for one year the transfer of ten percent of all University of Hawaii special funds to the major repair and replacement special fund to the 2015-2016 and 2016-2017 fiscal years;
  - (5) Deleting the appropriation from the major repair and replacement special fund;
  - (6) Inserting an effective date of July 1, 2050, to encourage 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 115, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Slom).

**SCRep. 953 Higher Education on H.B. No. 654**

The purpose and intent of this measure is to:

- (1) Require the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to collaborate with the Center for Nursing to enable the Center to obtain nursing-related data;
- (2) Require the Professional and Vocational Licensing Division to provide the Center for Nursing with certain information through a memorandum of understanding; and
- (3) Request completion of a survey developed by the Center for Nursing as part of the license renewal requirements under chapter 457, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Board of Nursing, University of Hawai'i at Manoa School of Nursing and Dental Hygiene, University of Hawai'i Maui College of Nursing Program, Hawai'i State Center for Nursing, Hawai'i Pacific Health, Hawaii Chapter of the American Organization of Nurse Executives, Hawaii Association of Professional Nurses, Hawaii Long Term Care Association, Healthcare Association of Hawaii, and thirteen individuals. Your Committee received comments on this measure from the Office of the Governor and Department of Commerce and Consumer Affairs.

Your Committee finds that effective workforce planning and policy making require better data collection and an improved information infrastructure. The Center for Nursing's surveys related to nursing programs, registered nurses, and licensed practical nurses are a valuable way to collect nursing-related data.

Your Committee has amended this measure by:

- (1) Adding language to amend the membership of the Center for Nursing Advisory Board by requiring that three members be representatives of professional organizations related to health, rather than representatives from the Hawaii Nurses' Association, as your Committee has learned that the Hawaii Nurses' Association is no longer involved in policy issues;
- (2) Inserting an effective date of July 1, 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 Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 654, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 654, 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 (Ige, Kidani).

**SCRep. 954 Judiciary and Labor on H.B. No. 927**

The purpose and intent of this measure is to authorize and emphasize the use of employment and training fund monies to carry out training programs for small businesses included in the State's economic development strategy.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations. One individual submitted comments on this measure.

Your Committee finds that small businesses often lack staff and resources to dedicate to workforce training. This measure will place an emphasis on using monies in the employment and training fund to train and educate small business employees through the macro program, which provides grants to businesses to develop customized projects where there are critical skill shortages; employer referral program, which allows employers to register their employees for training courses given by approved providers; or volunteer

internship program, which enables job seekers, especially those receiving unemployment benefits, to receive training from businesses to gain practical experience.

As affirmed by the record of votes of the members 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. 927, and recommends that 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. 955 (Majority) Judiciary and Labor on H.B. No. 833**

The purpose and intent of this measure is to provide an emergency appropriation for fiscal biennium 2011-2013 for all collective bargaining cost items for salary increases and other wage-related costs in the arbitrated settlement for collective bargaining unit (10) and salary increases and cost adjustments for excluded counterparts.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committee finds that pursuant to the requirements under section 9 of article VII of the Hawaii State Constitution, the Governor, in Governor's Message No. 212, requested immediate consideration and passage of this measure by the Legislature to address the expected cost of the arbitration settlement for collective bargaining unit (10). This measure reflects the arbitration award received on January 10, 2013, and includes no wage reductions for the entire contract period and a 3.2 percent across-the-board increase beginning January 16, 2013.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 833, H.D. 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. 956 Judiciary and Labor on H.B. No. 1177**

The purpose and intent of this measure is to:

- (1) Exempt specified procurements of professional and administrative services for the Hawaii employer-union health benefits trust fund (EUTF) from the public procurement code;
- (2) Establish trust fiduciary duties for the EUTF Board of Trustees, prohibit certain transactions, and establish liabilities for breaching a fiduciary duty;
- (3) Exempt the EUTF from the requirement of employing or retaining the Attorney General for legal advice and representation and authorize the EUTF Board of Trustees to appoint or retain by contract an attorney for legal advice and representation who is independent of the attorney general, provided that the attorney has benefits experience with the federal Employee Retirement Income Security Act from the private or public sector;
- (4) Restructure the composition of the EUTF Board of Trustees by:
  - (A) Increasing the number of members of the EUTF Board of Trustees from ten to twelve members;
  - (B) Specifying collective bargaining units to be represented by each EUTF trustee;
  - (C) Specifying the public employers within the Executive Branch of the State and among the several counties to be represented by each EUTF trustee; and
  - (D) Requiring the creation of a sub-Board of Trustees to manage contributions and benefits if the exclusive representative of a collective bargaining unit negotiates a specific contribution to apply to only that bargaining unit;
- (5) Authorize the nominating or appointing authority to determine each trustee's term of office and require the Chief Justice of the Hawaii Supreme Court to fill vacancies if the appropriate appointing authority fails to do so;
- (6) Adjust the quorum requirements of the EUTF Board of Trustees for the transaction of board business and voting requirements for board actions;
- (7) Specify the basis of contributions for each different type of beneficiary for the administration of the EUTF; and
- (8) Transfer the jurisdiction over the EUTF from the Department of Budget and Finance to the Department of Human Resources Development.

Your Committee received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Testimony in opposition to this measure was submitted by the Department of the Attorney General, Department of Budget and Finance, Department of Human Resources Development, Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, and State Procurement Office.

Your Committee finds that benefits are an integral part of employee compensation. The Hawaii Government Employees Association testified that the EUTF is not operating as originally intended and has become a serious concern for many public employees and employers. This measure restructures and makes substantial reforms to the EUTF to eliminate several problems that are causing the EUTF to be ineffective and expensive.

As affirmed by the record of votes of the members 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. 1177, 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. 957      Judiciary and Labor on H.B. No. 922**

The purpose and intent of this measure is to increase the efficiency of the Department of Labor and Industrial Relations in resolving disputes relating to treatment plans and continued medical services in workers' compensation cases. Specifically, this measure amends section 386-21(c), Hawaii Revised Statutes, 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, upon the consent of both parties, until June 30, 2015.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; United Public Workers, AFSCME Local 646, AFL-CIO; International Longshore and Warehouse Union, Local 142; Hawaii State Chiropractic Association; Hawaiian Electric Co., Inc., and its subsidiaries; Work Injury Medical Association of Hawaii; and Property Casualty Insurers Association of America.

Your Committee finds that existing law requires the Director of Labor and Industrial Relations to render a decision within thirty days of the filing of a dispute regarding a proposed treatment plan or whether medical services should be continued and requires that a hearing be held for all decisions issued. Due to budgetary cuts and staff reductions in the branches of the Department of Labor and Industrial Relations that service the hearings system, it currently takes three to four months to schedule a hearing involving a treatment plan or medical services, notice the parties, conduct the hearing, and render a decision. This measure will facilitate the workers' compensation process as injured workers, insurance carriers, and employers will receive decisions more promptly and allow other cases to be scheduled sooner.

As affirmed by the record of votes of the members 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. 922, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 958      Judiciary and Labor on H.B. No. 696**

The purpose and intent of this measure is to provide, for a Lieutenant Governor whose legal residence is on a neighbor island, an allowance for expenses that is separate from and in addition to the salary of the Lieutenant Governor to cover personal expenses incurred in the performance of official duties that require overnight stays within the State, but not on the island of the Lieutenant Governor's island of residence.

Your Committee received testimony in support of this measure from the Office of the Governor, Department of the Attorney General, and three individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that high-ranking state officials are required to spend much of their time at the State Capitol in Honolulu. This measure ensures fairness by providing an opportunity for any person in the State, regardless of the island of the person's residence, to perform the duties of the Lieutenant Governor without the disadvantage of unfunded expenses incurred due to the performance of official duties on other islands in the State.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 696, 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. 959      Judiciary and Labor on H.B. No. 919**

The purpose and intent of this measure is to assist certain target populations in becoming contributing members of the community. Specifically, this measure:

- (1) Exempts persons who have committed controlled-substance-related offenses from automatic disqualification from public employment if the position is exempt from the civil service and reasonable safeguards exist to protect employees and the public; and
- (2) Clarifies civil service exemptions for positions filled by persons with severe disabilities or by students and for positions filled through federally funded programs or similar state programs.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Public Safety, Community Alliance on Prisons, and four individuals.

Your Committee finds that section 78-2.6, Hawaii Revised Statutes, prohibits the hiring of a person who has a criminal conviction for a controlled-substance-related offense within the last three years. This prohibition precludes certain former inmates, such as participants in the Going Home project, from participating in work experience training. The Going Home project on the island of Hawaii has been a successful model for transitioning prisoners back into the community prior to and after their release from prison. This measure enables former substance abuse offenders to obtain work experience or fill temporary public service employment positions, provided that reasonable safeguards are in place to protect employees and the public.



Your Committee further finds that updating and expanding civil service exemptions under section 76-16(b), Hawaii Revised Statutes, will enable the Department of Labor and Industrial Relations to assist other target populations who require more supervision and training to become productive members of the workforce.

As affirmed by the record of votes of the members 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. 919, and recommends that 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. 960      Judiciary and Labor on H.B. No. 925**

The purpose and intent of this measure is to improve the processing of unemployment insurance claims by:

- (1) Revising the minimum notice period for an unemployment insurance appeal hearing from fifteen days to twelve days before the initial hearing date; and
- (2) Authorizing a claimant or party to an appeal to elect to receive notices and appeal documents from the Employment Security Appeals Referee's Office electronically in lieu of mail.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that section 91-9.5(a), Hawaii Revised Statutes, requires that written notice of a hearing be mailed to all parties at least fifteen days prior to the hearing date, unless otherwise provided by law. This is a statutory requirement that applies to the Employment Security Appeals Referee's Office in providing notice of unemployment insurance appeal hearings. The Department of Labor and Industrial Relations testified that pursuant to the Social Security Act, procedures for appeals and hearings are required to be reasonably calculated to pay benefits promptly when due. Thus, applicable federal performance standards require that the Referee's Office complete sixty percent of its decisions within thirty days of the appeal request and eighty percent within forty-five days. Accordingly, the existing fifteen day statutory notice requirement consumes half of the thirty-day completion period. Failure of the Referee's Office to meet federal performance standards could potentially result in federal oversight of the appeals program. Furthermore, the Department testified that in implementing the same federal unemployment appeals program, other states have notice periods ranging from five to eleven days. Hawaii is the only state with a statutory notice requirement of fifteen days. This measure reduces the notice period for unemployment insurance appeals to twelve days prior to the hearing date, thereby allowing the parties to receive an earlier hearing date and appeal decision and providing the Referee's Office greater flexibility in meeting federally required performance standards.

Your Committee further finds that existing law does not specifically allow the Referee's Office to electronically provide hearing notices, decisions, and other appeal documents in lieu of notice by mail. The Department testified that the Referee's Office will shortly launch an online appeals filing, scheduling, and maintenance system. This measure permits the delivery of appeal notices and documents through a faster, more efficient, and more cost-effective means for individuals who voluntarily elect to receive notification electronically.

As affirmed by the record of votes of the members 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. 925, and recommends that 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. 961      Judiciary and Labor on H.B. No. 921**

The purpose and intent of this measure is to improve the processing of workers' compensation claim appeals by:

- (1) Authorizing the Labor and Industrial Relations Appeals Board (Appeals Board) to:
  - (A) Take appropriate action to enforce its rules and orders; and
  - (B) Impose administrative sanctions and monetary sanctions of less than \$250 for each violation to be deposited into the special compensation fund under section 386-151, Hawaii Revised Statutes; and
- (2) Allowing workers' compensation claim litigants to file electronic notices of appeal with the appellate court.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Labor and Industrial Relations Appeals Board; International Longshore and Warehouse Union, Local 142; and two individuals.

Your Committee finds that existing law does not specifically authorize the Appeals Board to issue orders or take other actions, such as the imposition of administrative or monetary sanctions, to enforce its rules or orders. The Appeals Board noted in its written testimony that other state boards and commissions, such as the Hawaii Labor Relations Board, Public Utilities Commission, and Land Use Commission, are statutorily authorized to fine or sanction a party for noncompliance. This measure empowers the Appeals Board to better enforce its rules and orders and creates greater efficiency in the processing and adjudication of workers' compensation claim appeals.

Your Committee further finds that existing law does not specifically authorize workers' compensation litigants to file electronic notices of appeal with the appellate court, which is currently available through the Judiciary Electronic Filing System. This measure assists in increasing state government efficiency and reducing the State's carbon footprint by allowing the electronic filing of workers' compensation claim appeal notices.

As affirmed by the record of votes of the members 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. 921, and recommends that 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. 962      Judiciary and Labor on H.B. No. 775**

The purpose and intent of this measure is to make an appropriation to satisfy several claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and other miscellaneous claims.

Your Committee received testimony in support of this measure from the Department of the Attorney General.

Your Committee finds that this measure requests a total of \$4,887,605.33 in appropriations from the general fund to satisfy twenty-one claims against the State, a total of \$2,410,000 in appropriations from the state highway fund to satisfy three claims against the State, and a total of \$150,000 in appropriations from the state harbor fund to satisfy one claim against the State. The grand total for the twenty-five claims settled in this measure as received by your Committee is \$7,447,605.33. Timely passage of this measure will minimize interest on those amounts.

Your Committee notes the written testimony submitted by Department of the Attorney General that requests the addition of five new claims that have been resolved since this measure was introduced that total \$5,197,471.21. These additions require a total of \$5,162,471.21 in appropriations from the general fund to satisfy four claims against the State and a total of \$35,000 from the state highway fund to satisfy one claim against the State.

Furthermore, the Attorney General testified that recently a settlement has been reached on a class action case that claimed that the Department of Education underpaid substitute teachers and requested that your Committee add this settlement amount to this measure. However, the Attorney General testified that whether the State is required to pay prejudgment interest on the amount of the underpayment remains an outstanding issue that the State intends to appeal. Because an appeal on this issue could take years to resolve and the interest claim continues to accrue at approximately \$2,000 per day, the Attorney General clarified that the settlement amount added to this measure of \$15,091,122.33 represents only the agreed upon amount for back wages owed by the State along with the appropriate taxes and that the State reserves the claims for prejudgment interest, attorney's fees, and other miscellaneous claims.

Because the calculation and disbursement of the substitution teacher back pay settlement amount still needs to be worked out with the Department of Education, your Committee encourages the Attorney General to update your Committee on Ways and Means on this matter in order for the settlement amount to be appropriately reflected and included in the state budget. The Attorney General does not anticipate any additional appropriations for claims against the State that will need to be added to this measure before adjournment sine die.

Your Committee has amended this measure by:

- (1) Adding six settlement claims totaling \$20,288,593.54 to this measure, as requested by the Department of the Attorney General, from the general fund and state highway fund, which increases the total amount of appropriations in this measure to \$27,736,198.87 in order to satisfy a total of thirty-one claims against the State; and
- (2) Changing the referenced "state harbor fund" to "harbor special fund" to accurately refer to the appropriate 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. 775, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 775, 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 (Ihara).

**SCRep. 963      Judiciary and Labor on H.B. No. 924**

The purpose and intent of this measure is to:

- (1) Require the Hawaii Labor Relations Board to provide written notice of a hearing to all parties by first class mail at least fifteen days before the date of a scheduled hearing to assist in streamlining the notification process; and
- (2) Make housekeeping amendments to the law relating to the scope of negotiations between the public employer and the exclusive representative to conform to existing law.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations and Hawaii Labor Relations Board.

Your Committee finds that the Hawaii Labor Relations Board currently uses registered or certified mail to provide notice to interested parties of a scheduled hearing. The Department of Labor and Industrial Relations testified that the Hawaii Labor Relations Board spends \$3,600 a year for postage expenses. This measure requires the Board to provide notice via first class mail, which will allow the Board to realize savings of seventy-seven percent, or about \$2,200 per year, and more efficiently allocate resources. The money from the postage savings could be used by the Board to develop an electronic filing system.

Your Committee has amended this measure by deleting its contents and replacing them with language from S.B. No. 868, S.D. 1 (Regular Session 2013), which has substantially similar language except for a reference to hearings pursuant to chapter 91, Hawaii Revised Statutes, rather than chapter 89, Hawaii Revised Statutes; an effective date of July 1, 2050; and technical, nonsubstantive differences.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 924, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 924, 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. 964      Judiciary and Labor on H.B. No. 546**

The purpose and intent of this measure is to convene a task force in the Department of Budget and Finance to examine the unfunded liability of the Hawaii employer-union health benefits trust fund.

Your Committee received testimony in support of this measure from the Department of Budget and Finance; Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees; Department of Human Resources, City and County of Honolulu; Hawaii State Teachers Association; and five individuals. One individual submitted comments on this measure.

Your Committee finds that the unfunded liability of the Hawaii employer-union health benefits trust fund (EUTF) is substantial and requires collaboration and ingenuity to resolve. This measure will establish and empower a task force to address this critical issue.

Your Committee hopes that the work of the task force proposed under this measure will provide the Legislature with short- and long-term viable options of various dimensions to reduce the EUTF unfunded liability. Your Committee believes that a variety of options will assist the Legislature in developing more aggressive and effective solutions, similar to the solutions developed and enacted to reduce the unfunded liability of the Employees' Retirement System.

Your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the Hawaii State Teachers Association and several members of the Hawaii State Teachers Association-Retired to:
  - (A) Delete the State's Chief Negotiator, or the Chief Negotiator's designee, as a member of the task force; and
  - (B) Add a member representing public employee retirees to the task force;
- (2) Clarifying that the unspecified appropriation to support the task force shall take effect on July 1, 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 546, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 546, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 965      Judiciary and Labor on H.B. No. 152**

The purpose and intent of this measure is to: amend section 386-21(c), Hawaii Revised Statutes, to increase the maximum liability of the employer for workers' compensation charges for medical care, services, and supplies to one hundred thirty percent of fees prescribed in the Medicare Resources Based Relative Value Scale system applicable to Hawaii.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; International Longshore and Warehouse Union, Local 142; Hawaii State AFL-CIO; Hawaii Laborers' Union; Kaiser Permanente Hawaii; Hawaii Medical Association; Healthcare Association of Hawaii; Work Injury Medical Association of Hawaii; Hawaii State Chiropractic Association; Hawaii Injured Workers Association; InVision Imaging; and three individuals. Testimony in opposition to this measure was submitted by the Department of Human Resources Development; Department of Human Resources, City and County of Honolulu; Property Casualty Insurers Association of America; Hawaiian Electric Co., Inc. and its subsidiaries; Hawaii Insurers Council; and The Chamber of Commerce of Hawaii. The Department of Commerce and Consumer Affairs submitted comments on this measure.

Your Committee finds that existing law restricts the charges for medical care, services, and supplies from exceeding one hundred ten percent of the fees prescribed in the Medicare Resource Based Relative Value Scale that are applicable to Hawaii. However, over time, the reimbursement rates of providers have failed to keep pace with the higher costs of medical care that have led some physicians to opt out of providing treatment to injured workers in the workers' compensation system. The Department of Labor and Industrial Relations indicated in written testimony that the United States Department of Labor's Office of Workers' Compensation Program Medical Fee Schedule conversion factor for Hawaii was one hundred forty three percent of Medicare in 2012, which indicates the need to allow for the charges to be increased beyond the one hundred ten percent currently allowed under law. This measure will increase the reimbursement rate to more adequately align the workers' compensation medical fee schedule with the current cost of health care.

Your Committee notes the concerns raised in the written testimony submitted by the Department of Human Resources Development that this measure may result in significant cost implications on state funds appropriated for workers' compensation. The Department testified that an across-the-board increase for services that fall under the Medicare fee schedule will drive medical costs higher and will likely require an increase in the Department's general fund appropriation under program ID HRD 102 to pay for claims under chapter 386, Hawaii Revised Statutes. The Department testified that this measure would result in an increase of \$468,000 annually, which would require an increase in general fund appropriations. Your Committee encourages your Committee on Ways and Means, should the Committee schedule this measure for a hearing, to consider the fiscal implications this measure may have on the Department of Human Resources Development and appropriately reflect this increase in the state budget.

Your Committee has amended this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members 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. 152, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 152, 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. 966      Judiciary and Labor on H.B. No. 436**

The purpose and intent of this measure is to clarify that the duly qualified impartial physician appointed by the Director of Labor and Industrial Relations to examine an injured employee for a workers' compensation claim is a physician whose specialty is appropriate for the injury being examined.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations; Hawaii State AFL-CIO; International Longshore and Warehouse Union, Local 142; Plumbers and Fitters Union, Local 675; Work Injury Medical Association of Hawaii; and Hawaii Medical Association. Testimony in opposition to this measure was submitted by the Department of Human Resources, City and County of Honolulu; and Property Casualty Insurers Association of America. The Department of Human Resources Development submitted comments on this measure.

Your Committee finds that existing law does not specify that a physician appointed by the Director of Labor and Industrial Relations for a workers' compensation claim must be a physician whose specialty is appropriate for the injury being examined. This measure provides that a physician knowledgeable in the injury of the claimant will examine the claimant and thereby creates greater efficiencies in the workers' compensation process.

Your Committee has amended this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members 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. 436, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 436, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Ihara).

**SCRep. 967      (Majority) Judiciary and Labor on H.B. No. 918**

The purpose and intent of this measure is to permit the Department of Labor and Industrial Relations to temporarily use employment and training fund monies to administer, manage, report, and oversee Title I programs funded under the federal Workforce Investment Act of 1998; as amended (Workforce Investment Act).

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 one individual.

Your Committee finds that programs funded under the federal Workforce Investment Act are primarily intended to provide adults, dislocated workers, youth, and other target groups with relevant training programs and intensive job counseling services to better prepare them for new careers. However, the Department of Labor and Industrial Relations testified that since 2011, the amount of funds that may be used to administer Workforce Investment Act programs has been reduced by sixty-seven percent, while the State's responsibilities regarding program management, administration, reporting, and oversight have remained the same. Without supplemental funds, the Department may be unable to fulfill all of its federally mandated responsibilities, which could potentially subject the State to disallowed costs for non-compliance, which can only be repaid by using non-federal funds, thereby increasing the State's general fund liabilities. This measure temporarily allows the Department to use employment and training fund monies to supplement the reduced funding for statewide administration and fulfill its federal responsibilities until a longer-term solution is derived.

Your Committee has amended this measure by:

- (1) Deleting the language in the effective date language regarding the repeal and reenactment of section 383-128, Hawaii Revised Statutes;
- (2) Inserting an effective date of July 1, 2013; and
- (3) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 918, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 918, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 968      Judiciary and Labor on H.B. No. 928**

The purpose and intent of this measure is to clarify the classification of certain funds of the Department of Labor and Industrial Relations as trust funds.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Office of the Auditor, and one individual.

Your Committee finds that Auditor Report No. 12-10 found, among other things, that certain funds administered by the Department of Labor and Industrial Relations were classified and operating inconsistently from their statutory designation. The State Auditor

recommended that the Department clarify the classification of these funds. By reclassifying certain special funds of the Department as trust funds, this measure will avoid any confusion in the proper administration of these funds.

Your Committee has amended this measure by clarifying that this measure proposes to reclassify four, not five, funds of the Department of Labor and Industrial Relations.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 928, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 928, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Ihara).

**SCRep. 969 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1282**

The purpose and intent of this measure is to expand the scope of eligibility requirements for the Hawaii Medal of Honor to include additional service members.

Your Committee received testimony in support of this measure from the Veterans of Foreign Wars and National Association for Uniformed Services.

Your Committee finds that the awarding of the Hawaii Medal of Honor expresses the deep appreciation and gratitude of the people of Hawaii to the loved ones of members of the military who sacrificed their lives in defense of the nation and its freedom. This measure expands the eligibility requirements that allow an individual who was killed in action to receive the Hawaii Medal of Honor. Specifically, this measure allows those individuals who were killed in action while providing direct support to military operations in a combat zone, or performing under hostile fire or imminent danger if the duty performed would have qualified the individual for special military pay.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1282, 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 (Green).

**SCRep. 970 Judiciary and Labor on H.B. No. 776**

The purpose and intent of this measure is to amend section 662-5, Hawaii Revised Statutes, to authorize the State, when sued in a tort action, to demand a jury trial in the same manner and to the same extent as a private individual under like circumstances.

Your Committee received testimony in support of this measure from the Department of the Attorney General. The Hawaii Association for Justice submitted written comments on this measure.

Your Committee finds that existing law provides that tort claims against the State are to be tried by the court without a jury unless the State and the individual bringing the claim agree to a jury trial. Neither party has the right to unilaterally demand a jury trial. Private individuals sued in a tort action may demand jury trials under existing law or may waive that right. However, the State is not provided the same opportunity to demand or waive a jury trial in tort actions under like circumstances because the State does not have the same rights.

A private individual, in consultation with the individual's attorney, is in the best position to determine whether the claim against the individual and the issue involved should be tried by a jury or a judge. Because the State is supposed to be sued and held liable in the same manner and to the same extent as private individuals, your Committee further finds that the State ought to have the same right to demand jury trials. This measure puts the State on equal footing with other private individuals sued in a tort action and an opportunity for consistent and equitable decisions and judgments.

As affirmed by the record of votes of the members 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. 776, 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. 971 Agriculture on H.B. No. 487**

The purpose and intent of this measure is to expand the livestock revitalization program by, among other things:

- (1) Providing subsidies for feed used in the production of goat's milk, sheep, lamb, fish, and crustaceans;
- (2) Lowering the required minimum flock or herd size necessary for a producer to qualify for the livestock subsidy;
- (3) Providing grants to qualified feed developers; and
- (4) Appropriating funds to the livestock revitalization program.

Your Committee received testimony in support of this measure from the Hawaii Farm Bureau Federation, Big Island Dairy, Maui Cattlemen's Association, Hawaii Aquaculture and Aquaponics Association, Ulupono Initiative, Petersons' Upland Farm, Maili Moa LLC, 4 Ag Hawaii, and twenty-one individuals. Your Committee received testimony in opposition to this measure from six individuals.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amended the measure by adding the contents of S.B. 753, S.D. 2, which:

- (1) Authorizes the Department of Agriculture to dispose of lands to and negotiate and enter into leases with the Agribusiness Development Corporation; and
- (2) Exempts non-agricultural park lands disposed of by the Department of Agriculture to the Agribusiness Development Corporation from section 166E-8(b)(2) and (5), Hawaii Revised Statutes, under certain conditions.

Your Committee received comments on the proposed S.D. 1 from the Agribusiness Development Corporation.

Your Committee finds that one of the biggest challenges to the livestock industry is the rising cost of feed for livestock production. Numerous dairies and egg farms have closed down in recent years due primarily to rising feed costs. Providing a subsidy for feed development and costs will revitalize Hawaii's livestock industries and help keep fresh, locally produced milk, eggs, beef, pork, poultry, sheep, goat, fish, and crustaceans available to Hawaii residents.

Your Committee further finds that maximizing the Department of Agriculture's ability to lease lands under its control to the Agribusiness Development Corporation will assist the Agribusiness Development Corporation in administering a cooperative and comprehensive agribusiness development program that, among other things, will provide farmers with land, create jobs, and reduce the State's dependence on imported foods.

Accordingly, 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 Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 487, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 487, 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 (Thielen). Noes, none. Excused, 2 (English, Slom).

**SCRep. 972 (Joint) Agriculture and Energy and Environment on H.B. No. 154**

The purpose and intent of this measure is to appropriate funds for and authorize the Chairperson of the Board of Agriculture to establish a two-year industrial hemp remediation and biofuel crop pilot program.

Your Committees received testimony in support of this measure from the Department of Agriculture, Hawaii Farmers Union United, Pacific Biodiesel Technologies, American Civil Liberties Union of Hawaii, and twenty-four individuals. Your Committees received comments on this measure from the Department of Public Safety and two individuals.

Your Committees find that agricultural operations in the past have left toxins in vast amounts of land in Hawaii. Your Committees further find that hemp is a superior phytoremediator because it grows quickly and extracts toxins from the soil without the need to remove contaminated topsoil. Industrial hemp is also an environmentally friendly and efficient feedstock for biofuel. Your Committees conclude that a hemp remediation and biofuel crop pilot program will enhance the quality of agricultural lands and increase biodiesel fuel supplies. The Department of Agriculture expressed concerns, however, regarding the necessary administrative requirements imposed by the State's Narcotics Enforcement Division and the federal Drug Enforcement Administration on Cannabis products, including hemp, and the fact that the Department of Agriculture does not have experience in obtaining a controlled substance registration or in growing hemp. Accordingly, your Committees have amended this measure by:

- (1) Authorizing the Director of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, rather than the Chairperson of the Board of Agriculture, to establish and direct the two-year industrial hemp remediation and biofuel crop pilot program;
- (2) Changing the expending agency of the appropriation to the University of Hawaii; 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 154, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 154, 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.

Agriculture

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

Energy and Environment

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

**SCRep. 973 Agriculture on H.B. No. 747**

The purpose and intent of this measure is to provide a general excise tax exemption for amounts received for the slaughter and processing of poultry and livestock produced in the State and to be consumed in the State.

Your Committee received testimony in support of this measure from Hawaii Cattlemen's Council, Inc.; Maui Cattlemen's Association; Hawaii Farm Bureau Federation; Hawaii Aquaculture and Aquaponics Association; Big Island Dairy; Palani Ranch Company; Ulupono Initiative; 4 Ag Hawaii; and four individuals. Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Prior to holding a hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amends the measure by inserting language from:

- (1) S.B. No. 709, S.D. 1 (Regular Session 2013), which amends section 163D-17, Hawaii Revised Statutes, to leave unspecified the Agribusiness Development Corporation's limit on investments in qualified securities of any one enterprise; and
- (2) S.B. No. 754, S.D. 2 (Regular Session 2013), which makes an appropriation for an unspecified amount for the Agribusiness Development Corporation to purchase unspecified agricultural land.

Your Committee received comments on the proposed S.D. 1 from the Department of the Attorney General, Department of Taxation, Agribusiness Development Corporation, and Tax Foundation of Hawaii.

Your Committee finds that increasing the limit on investments of monies in the Hawaii agricultural development revolving fund in securities of any one enterprise, pursuant to part II of the proposed S.D. 1, would allow the Agribusiness Development Corporation more flexibility to provide monetary forms of assistance and to purchase qualified securities so that it may assist struggling farmers who lack capital to improve and modernize their facilities. Your Committee further finds that funding appropriated to the Agribusiness Development Corporation, pursuant to part III of the proposed S.D. 1, would assist the Agribusiness Development Corporation in acquiring lands recently placed for sale by Dole Food Company, Inc., to ensure that these lands are maintained for agricultural activities in perpetuity. Providing farmers access to these lands through long-term leases will allow farmers to obtain the necessary capital to expand agricultural activities and maximize farm yields.

Your Committee noted concerns, however, regarding the constitutionality of the amendments to section 237-24.3, Hawaii Revised Statutes, regarding the general excise tax.

Accordingly, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting part I of the measure; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 747, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 747, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (English, Slom).

**SCRep. 974 Water and Land on Gov. Msg. Nos. 591, 592, and 593**

Recommending that the Senate advise and consent to the nominations of the following:

KOKE'E STATE PARK ADVISORY COUNCIL

G.M. No. 591 CHARLES WICHMAN, JR., for a term to expire 6-30-2016;

G.M. No. 592 KATHRYN CASSEL, for a term to expire 6-30-2016; and

G.M. No. 593 WAYNE SOUZA, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Charles Wichman, Jr., Kathryn Cassel, and Wayne Souza to possess the requisite qualifications to be nominated to the Koke'e State Park Advisory Council.

CHARLES WICHMAN, JR.

Your Committee received testimony in support of the nomination of Charles Wichman, Jr., from the Department of Land and Natural Resources; University of Hawaii College of Tropical Agriculture and Human Resources, Kauai; Kauai Watershed Alliance; The Nature Conservancy; Princeville Resort; Grove Farm Company, Inc.; and six individuals.

Charles Wichman, Jr., is the Director and Chief Executive Officer of the National Tropical Botanical Garden, headquartered in Kalaheo, Kauai. For his entire adult life, Mr. Wichman has worked to preserve the precious natural and cultural resources of Hawaii, where he was born and raised. In 1999, Mr. Wichman and his wife were honored by the State Legislature for the restoration of Pi'ilanihale Heiau, the largest and one of the most sacred cultural sites in Hawaii. They subsequently developed an award winning site management plan for this sacred site.

KATHRYN CASSEL

Your Committee received testimony in support of the nomination of Kathryn Cassel from the Department of Land and Natural Resources, The Nature Conservancy, and two individuals.

Kathryn Cassel is the Founder of the Koke'e Resource Conservation Program and served as the Program Coordinator from 1998-2009. Her duties were to coordinate all aspects of program management; solicit, orient, and supervise volunteers; generate media, grant requests, and reports; manage budget and cash flow, permit requests; handle helicopter surveys; perform remote field work and program development; develop community support and solicit donations; ensure maintenance of databases and archives; plan, supervise, and coordinate activities of staff and volunteers in the field; and act as catalyst to elicit cooperation from diverse individuals and groups and to effectively cooperate with different agencies/organizations.

WAYNE SOUZA

Your Committee received testimony in support of the nomination of Wayne Souza from the Department of Land and Natural Resources, Koke'e Museum, and two individuals. Your Committee received testimony in opposition to the nominee from one individual.

Wayne Souza is a retired Park Planner and Kauai Parks District Superintendent with the Division of State Parks, Department of Land and Natural Resources, where he served from 1974 to 2009. His interests are focused on conservation biology, natural history, history (including local history), and Hawaiian culture.

Your Committee contacted Mr. Souza by conference call to respond to the testimony in opposition to his nomination. Your Committee directed questions to him, which he answered in a straight-forward manner. Your Committee is satisfied with his explanations. Furthermore, the Department of Land and Natural Resources testified that Mr. Souza makes careful and well thought out decisions that are advisory by nature, as is the Commission's duty under the law.

As affirmed by the records of votes of the members of your Committee on Water and Land 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.

For Gov. Msg. Nos. 591 and 592:  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ihara).

For Gov. Msg. No. 593:  
Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 975 Higher Education on Gov. Msg. Nos. 538, 631, 632, 633, and 634**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

- G.M. No. 538 FREDERICK HOLSCHUH, for a term to expire 6-30-2015;
- G.M. No. 631 ALBERT KIM, for a term to expire 6-30-2015;
- G.M. No. 632 NADINE NISHIOKA, for a term to expire 6-30-2015;
- G.M. NO. 633 CLAUDE ONIZUKA, for a term to expire 6-30-2016; and
- G.M. No. 634 CHRISTOPHER WONG, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Frederick Holschuh, Albert Kim, Nadine Nishioka, Claude Onizuka, and Christopher Wong to possess the requisite qualifications to be nominated to the Hawaii Commission for National and Community Service (Commission).

FREDERICK HOLSCHUH

Your Committee received testimony in support of the nomination of Frederick Holschuh from the Governor, University of Hawai'i System, Hawaii Commission for National and Community Service, and three individuals.

Your Committee finds that Mr. Holschuh received a Bachelor's degree in Biology from Rensselaer Polytechnic Institute. He went on to receive his Doctorate of Medicine from Columbia University.

Mr. Holschuh served as an emergency physician for thirty years on the island of Hawaii, retiring in 2001. He also served on the Hawaii County Council from 2002 through 2006.

Over the years, Mr. Holschuh has been involved in a number of community and professional organizations in such wide-ranging areas as domestic violence, substance abuse, HIV/AIDS, mental health, traffic safety, emergency medical services, dental care, and elder care. He has also done medical missionary work in the People's Republic of China and Guatemala.

Mr. Holschuh has received numerous honors, including the 2002 Governor's Kilohana Award for Volunteerism.

Mr. Holschuh has dedicated his life to the care and treatment of others, and his passion for community service and helping others will further benefit the work of the Commission.

ALBERT KIM

Your Committee received testimony in support of the nomination of Albert Kim from the Governor, University of Hawai'i System, Hawaii Commission for National and Community Service, and one individual.

Your Committee finds that Mr. Kim attended both Honolulu and Kapiolani Community Colleges as well as the University of Hawaii at Manoa and is a graduate of the University of Phoenix with a Bachelor's degree in Business Administration.

Mr. Kim is the Chief Executive Officer of Orient Travel Inc., and Orient Travel Bureau Inc., and has been in the travel business for over twenty years.

Mr. Kim is active in numerous professional and community organizations, including the Korean Tourism Association of Hawaii, Korean Seniors Cultural Center, and Honolulu Hibiscus Lions Club.



Mr. Kim is a current member of the Commission, and his dedication to public service and his entrepreneurial spirit continue to make him an asset to the Commission.

NADINE NISHIOKA

Your Committee received testimony in support of the nomination of Nadine Nishioka from the Governor, University of Hawai'i System, Hawaii Commission for National and Community Service, and seven individuals.

Your Committee finds that Ms. Nishioka is a graduate of the University of Hawaii at Manoa with a Bachelor's degree in Communication and International Business.

Ms. Nishioka is currently the Director of Operations and Marketing for R&C, LLC, and has had an extensive career in communications and business management.

Ms. Nishioka is currently the Vice Chair of the Commission and has been an active volunteer for over twenty-five years with many organizations, including the Boys and Girls Club of Hawaii, Mo'ili'ili Community Center, and Manoa Neighborhood Board. In 2012, President Barack Obama recognized Ms. Nishioka as a Champion of Change for Lions Club International.

Ms. Nishioka's enthusiasm and commitment to volunteerism continue to make her an invaluable member of the Commission.

CLAUDE ONIZUKA

Your Committee received testimony in support of the nomination of Claude Onizuka from the Governor, University of Hawai'i System, Hawaii Commission for National and Community Service, and four individuals.

Your Committee finds that Mr. Onizuka is a graduate of Konawaena High School and attended Honolulu Business College.

Mr. Onizuka is a veteran of the Vietnam War and served in the United States Army and the Hawaii National Guard.

Mr. Onizuka has served as the Branch Manager for Kona Community Federal Credit Union, Owner and President of Kona International Travel Service, Vice President and Branch Manager at American Savings Bank, and Director of Community and Public Affairs for 1250 Oceanside Partners/The Club at Hokulia.

Mr. Onizuka is also involved in a number of community organizations and is the President of the Astronaut Ellison S. Onizuka Memorial Committee and Director of the Astronaut Ellison S. Onizuka Memorial Committee, Los Angeles.

Mr. Onizuka's diverse background and his dedication to inspiring future generations will assist the Commission in furthering its mission.

CHRISTOPHER WONG

Your Committee received testimony in support of the nomination of Christopher Wong from the Governor, University of Hawai'i System, Hawaii Commission for National and Community Service, and six individuals.

Your Committee finds that Mr. Wong is a graduate of Hawaii Pacific University with a Bachelor's degree in Business Administration and is currently a candidate for a Master's degree in Business Administration and Organizational Change at Hawaii Pacific University.

Mr. Wong most recently served as a Marketing and Public Relations Specialist for the Hawaiian Mission Houses Historic Site and Archives. He previously served as the District Executive of the Aloha Council for the Boy Scouts of America. Mr. Wong has extensive professional experience in management, marketing, and fundraising.

Mr. Wong currently serves on the Commission and is active in the community and volunteers with organizations such as Hawaii Special Olympics and Hawaii Food Bank. He has also served as the Chair of the Kalihi Valley Neighborhood Board No. 16; a member of the Board of Directors of the Hawaii Museums Association; and the State Coordinator for World Diabetes Day from 2007 through 2010.

Mr. Wong's active involvement in the community and emphasis on public service support his continued service on the Commission.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

**SCRep. 976 (Joint/Majority) Economic Development, Government Operations and Housing and Energy and Environment on H.B. No. 800**

The purpose and intent of this measure is to make an emergency appropriation in the amount of \$145,000 to the Department of Business, Economic Development, and Tourism from the energy security special fund for the purpose of staffing and supporting the Hawaii Refinery Task Force to address possible market disruptions to Hawaii's supply of motor vehicle fuel.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committees received testimony in opposition to this measure from two individuals.

Prior to the hearing on this measure, your Committees made available for public review a proposed S.D. 1, which amends the measure by changing the amount of the emergency appropriation from \$145,000 to an unspecified amount.

Your Committees find that Tesoro Hawaii will be closing its Kapolei refinery, leaving only one other refinery in the State. Your Committees agree that it is necessary to fund the Hawaii Refinery Task Force, which is charged with helping the State plan and prepare for possible changes in Hawaii's refining capacity, but find that the amount of the emergency appropriation should be changed from \$145,000 to an unspecified amount in order to facilitate further discussion on the matter.

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 Economic Development, Government Operations and Housing and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 800, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 800, 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.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Chun Oakland, English).

Energy and Environment  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Chun Oakland).

**SCRep. 977 (Joint/Majority) Economic Development, Government Operations and Housing and Technology and the Arts on H.B. No. 726**

The purpose and intent of this measure is to strengthen the film industry in Hawaii by:

- (1) Amending the amount of the motion picture, digital media, and film production income tax credit to an unspecified amount for qualified productions in all counties;
- (2) Amending the amount of the total tax credits that may be claimed per qualified production to an unspecified amount; and
- (3) Extending the sunset date of the motion picture, digital media, and film production income tax credit from January 1, 2016, to January 1, 2023.

Your Committees received testimony in support of this measure from the Maui County Mayor. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; and Tax Foundation of Hawaii.

Prior to the hearing on this measure, your Committees made available for public review a proposed S.D. 1, which replaced the contents of this measure with S.B. No. 463, S.D. 2, which:

- (1) Extends the motion picture, digital media, and film production income tax credit from January 1, 2016, to January 1, 2023;
- (2) Repeals the credit ceiling per qualified production;
- (3) Changes the credit amount from 15 percent to an unspecified amount in a county with a population over 700,000, and from 20 percent to an unspecified amount in a county with a population of 700,000 or less;
- (4) Creates a tax credit for media infrastructure projects in West Oahu or the most populous island in a county with a population between 100,000 and 175,000, from July 1, 2013, to January 1, 2016;
- (5) Provides for recapture of the media infrastructure project tax credit under certain conditions;
- (6) Establishes the Hawaii film office special fund for management of media infrastructure project tax credits and related programs; and
- (7) Requires analysis and reporting by the Department of Taxation on the effectiveness of the media infrastructure project tax credit.

Your Committees received testimony in support of the proposed S.D. 1 from NBC Universal Media, LLC. Your Committees received testimony in opposition to the proposed S.D. 1 from the Tax Foundation of Hawaii. Your Committees received comments to the proposed S.D. 1 from the Department of Budget and Finance; Department of Business, Economic Development, and Tourism; Department of Taxation; SAG-AFTRA Hawaii, International Alliance of Theatrical Stage Employees Mixed, Local 665; American Federation of Musicians, Local 677; and Hawaii Teamsters, Local 996.

Your Committees find that it is important to strike a careful balance between fostering the growth of the motion picture, television, and digital media industries and creating a drain on the state treasury.

Therefore, your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Reinserting the credit ceiling on qualified productions, but increasing the ceiling to \$12,000,000 per qualified production; 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, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 726, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 726, 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.

Economic Development, Government Operations and Housing

Ayes, 3. Noes, 1 (Slom). Excused, 3 (Baker, Chun Oakland, English).

Technology and the Arts

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Tokuda).

**SCRep. 978 Economic Development, Government Operations and Housing on H.B. No. 858**

The purpose and intent of this measure is to make an appropriation in an unspecified amount for fiscal years 2013-2014 and 2014-2015 to the Hawaii Strategic Development Corporation to implement an investment program, the HI Growth Initiative, to diversify and strengthen the local economy.

Your Committee received testimony in support of this measure from the Governor; Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; High Technology Development Corporation; Akamai Capital; Aku Shaper; BizGym; Blue Startups; Cardax Pharmaceuticals; Enterprise Honolulu; Hawaii Angels; Hawaii Food Industry Association; Hawaii Innovation Alliance; Hawaii Venture Capital Association; HiBEAM; Hyperspective Studios; Internet Society; Lady Ease DBS Ease Collection; The Queen's Health Systems; Startup Capital Ventures; Startup HUI; Thurstcysle Enterprises, LLC; Waikiki Aloe; What Would MacGyver Do? Productions; ZenMoney; and five individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Hawaii needs new strategies to develop long-term economic growth and high-wage jobs. In cooperation with the private sector, the HI Growth Initiative will help to develop high growth businesses by focusing on research commercialization, entrepreneur mentoring, and start-up capital mobilization.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 858, 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 (Chun Oakland, Wakai).

**SCRep. 979 Economic Development, Government Operations and Housing on H.B. No. 473**

The purpose and intent of this measure is to make existing state business tax credits, general excise tax exemptions, and local incentives available to qualified Natural Energy Laboratory of Hawaii Authority research and technology park businesses and projects in the same enterprise zone.

Your Committee received testimony in support of this measure from the Natural Energy Laboratory of Hawaii Authority and one individual. Your Committee received comments on this measure from the Hawaii Strategic Development Corporation, High Technology Development Corporation, Tax Foundation of Hawaii, and one individual.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amends the measure by deleting its contents and replacing them with language that:

- (1) Requires the Natural Energy Laboratory of Hawaii Authority to enter into an inter-agency agreement, memorandum of agreement, or memorandum of understanding with the Hawaii Strategic Development Corporation and High Technology Innovation Corporation;
- (2) Permits the Natural Energy Laboratory of Hawaii Authority to develop, enter into, and implement inter-agency agreements with the Department of Business, Economic Development, and Tourism without the need for a memorandum of agreement or memorandum of understanding; and
- (3) Requires certain terms to be included in any contract between the Natural Energy Laboratory of Hawaii Authority and any state agencies, offices, departments, or other administrative subdivisions.

Your Committee received comments on the proposed S.D. 1 from the Hawaii Strategic Development Corporation, High Technology Development Corporation, and Natural Energy Laboratory of Hawaii Authority.

Your Committee finds that it is important to encourage the growth of the technology sector in Hawaii. The proposed S.D. 1 will increase the collaboration between the Natural Energy Laboratory of Hawaii Authority and the Department of Business, Economic Development, and Tourism and promote the efficient use of available resources. Your Committee finds, however, that current statutes already allow for cooperation between state agencies. Also, the Natural Energy Laboratory of Hawaii Authority, Hawaii Strategic Development Corporation, and High Technology Development Corporation all currently have representation on each other's boards of directors.

Therefore, your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting the language that would have required the Natural Energy Laboratory of Hawaii Authority to enter into an inter-agency agreement, memorandum of agreement, or memorandum of understanding with the Hawaii Strategic Development Corporation and High Technology Innovation Corporation; 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, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 473, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 473, 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 (Chun Oakland, Wakai).

**SCRep. 980 (Joint) Agriculture and Energy and Environment on H.B. No. 673**

The purpose and intent of this measure is to:

- (1) Require the Department of Agriculture to post information on its website regarding restricted use pesticides in the State; and
- (2) Require the Legislative Reference Bureau to conduct a study regarding other states' pesticide reporting and registration requirements and report its findings to the Legislature.

Your Committees received testimony in support of this measure from the Hawaii Organic Farming Association, Aurora Foundation, Kauai Beekeeper's Association, Pesticide Action Network North America, and seventy-four individuals. Your Committees received testimony in opposition to this measure from Hawaii Aquaculture and Aquaponics Association; Ka'u Farm Bureau; Dole Food Company, Inc.; Dupont Pioneer; and three individuals. Your Committees received comments on this measure from the Department of Agriculture, Department of Land and Natural Resources, Legislative Reference Bureau, Hawaii Pest Control Association, and four individuals.

Your Committees find that reporting and disclosing restricted pesticide use will better inform the community and allow concerned residents to take necessary precautions against the possible harmful effects of pesticide exposure. However, your Committees also find that a report required by the Legislative Reference Bureau would be administratively burdensome and unnecessary given the federal requirements for recordkeeping in the 1990 Farm Bill and that Hawaii pesticide users must already maintain restricted use pesticide records. Your Committees also note concerns regarding the publishing of private information on its website, such as home telephone numbers and other confidential information.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the information the Department of Agriculture is required to publish on its website is the public information contained in all restricted use pesticide records, reports, or forms submitted to the Department, except those records, reports, or forms required by the Department for restricted use pesticides used for structural pest control;
- (2) Authorizing the Department of Agriculture to require persons or entities filing pesticide records, reports, or forms to furnish an additional form that is suitable for posting online in response to requests pursuant to the Uniform Information Practices Act (Modified), chapter 92F, Hawaii Revised Statutes (also referred to as UIPA); or the Freedom of Information Act, title 5 United States Code section 552 (also referred to as FOIA);
- (3) Deleting the requirement that the Legislative Reference Bureau conduct a study regarding other states' pesticide reporting and registration requirements and report its findings to the Legislature; 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 Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 673, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 673, 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.

Agriculture

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Slom).

Energy and Environment

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

**SCRep. 981 Energy and Environment on H.B. No. 899**

The purpose and intent of this measure is to exempt the deposit beverage container special fund from the five percent central services deduction in section 36-27, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Health; County of Hawaii, Department of Environmental Management; County of Kauai, Department of Public Works; Sierra Club; and one individual.

Your Committee finds that the deposit beverage container special fund was originally exempted from the central services deduction so that the entire amount of monies collected through the deposit beverage container program could be used for redemption and program operation. In 2009, the exemption was removed to increase general fund revenues to address the shortfall the State was facing at the time. Your Committee further finds that it is necessary to reinstate the exemption from the five percent central services deduction because deposit revenues should be earmarked solely for return to consumers consistent with the intent of the original legislation and because the deduction has already significantly drained the program's reserve fund.

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

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. 899, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 899, 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. 982 (Joint) Tourism and Hawaiian Affairs and Water and Land on H.B. No. 378**

The purpose and intent of this measure is to make an appropriation for the environmental impact statement associated with the planned beach nourishment project at Kaanapali Beach on Maui; provided that no funds shall be expended unless matched dollar-for-dollar with private funds.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority and Kaanapali Operations Association. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that eighty percent of Maui's beaches are eroding. Located in West Maui, Kaanapali Beach has experienced chronic severe erosion that has degraded parts of the beach and damaged shoreline infrastructure and amenities. Your Committees further find that visitors to Kaanapali Beach contribute over \$2,000,000,000 to the state and Maui county economies each year.

Your Committees have amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage 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 Tourism and Hawaiian Affairs and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 378, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 378, 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.

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Keith-Agaran, Slom).

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 983 (Joint) Technology and the Arts and Public Safety, Intergovernmental and Military Affairs on H.B. No. 635**

The purpose and intent of this measure is to require:

- (1) The State and counties to approve, approve with modification, or disapprove all broadband-related permits within sixty business days, or one hundred twenty business days for a conservation district use application, of submission of an application and applicable fee;
- (2) That the application be deemed approved if no action is taken by the permitting authority within sixty business days, or one hundred twenty business days for a conservation district use application for broadband facilities; and
- (3) Public Utilities use reasonable best efforts to comply with safety and engineering standards for permitted projects.

Your Committees received testimony in support of this measure from the Public Utilities Commission; Department of Business, Economic Development, and Tourism; Office of Information Management and Technology; Department of Land and Natural Resources; Hawaiian Telcom; Oceanic Time Warner Cable; TW Telecom; Hawaiian Electric Company; and one individual.

Your Committees find that it is critical to increase Hawaii's current broadband capacity. This measure expedites the approval process for broadband-related permits while maintaining utility pole public safety standards.

Your Committees have amended this measure by:

- (1) Limiting the State and counties to sixty days and one hundred twenty days, rather than business days, to take action on applications for non-conservation district use applications and conservation district use applications, respectively, for broadband-related permits;
- (2) Requiring the State and counties to take action on use applications for broadband facilities for the protective subzones of the conservation district within ninety days of submission of an application and any applicable fees;
- (3) Clarifying that applicants shall comply with all applicable safety and engineering requirements relating to broadband-related infrastructure; 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 Technology and the Arts and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 635, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 635, H.D. 2, S.D. 1, and be referred to the Committees on Commerce and Consumer Protection and Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 984 (Joint/Majority) Economic Development, Government Operations and Housing and Technology and the Arts on H.B. No. 70**

The purpose and intent of this measure is to foster the growth of high technology industries by deleting the repeal of the High Technology Innovation Corporation, which is scheduled to take effect on June 30, 2013.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; and High Technology Innovation Corporation.

Prior to the hearing on this measure, your Committees made available for public review a proposed S.D. 1, which amends the measure by:

- (1) Extending the sunset date of the High Technology Innovation Corporation from June 30, 2013, to June 30, 2018, rather than deleting the repeal of the High Technology Innovation Corporation;
- (2) Inserting language to amend the composition of the Board of Directors of the High Technology Innovation Corporation;
- (3) Inserting language to establish a workforce development training program tax credit that provides a tax credit for on-the-job training to new hires in the motion picture, television, and digital media industries;
- (4) Inserting language to extend the sunset date of the motion picture, digital media, and film production income tax credit from January 1, 2016, to January 1, 2025;
- (5) Inserting language to amend the definitions of “digital media” and “qualified production” and “qualified production costs” for the purposes of the motion picture, digital media, and film production income tax credit;
- (6) Inserting language to make an appropriation in an unspecified amount for fiscal years 2013-2014 and 2014-2015 for the implementation of the workforce development training program tax credit from the general fund;
- (7) Inserting language to establish the Public-Private Partnership Authority;
- (8) Inserting language to require the Public-Private Partnership Authority to initiate two pilot programs and limit the Public-Private Partnership Authority to the implementation of the two pilot programs; and
- (9) Inserting language to make an appropriation in an unspecified amount for fiscal years 2013-2014 and 2014-2015 to establish and fund the Public-Private Partnership Authority.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Labor and Industrial Relations; Department of Land and Natural Resources; Hawaii Strategic Development Corporation; High Technology Development Corporation; High Technology Innovation Corporation; ILWU, Local 142; Land Use Research Foundation of Hawaii; and Natural Energy Laboratory of Hawaii Authority. Your Committees received testimony in opposition to the proposed S.D. 1 from Life of the Land, Tax Foundation of Hawaii, and six individuals. Your Committees received comments on the proposed S.D. 1 from the Department of the Attorney General; Department of Business, Economic Development, and Tourism; and Department of Taxation.

Your Committees find that the High Technology Innovation Corporation is a public not-for-profit corporate body designed to facilitate the growth and development of the commercial high technology industry in Hawaii. While the Corporation currently has a voluntary moratorium on all activities, it does not cost the State money to maintain and provides the State with valuable financial leverage, operating as a vehicle to receive tax-deductible donations. Your Committees received testimony and recommendations to improve the structure and operation of the Corporation’s Board of Directors by including private industry members on the Board.

While your Committees received testimony supporting the extension of the sunset date of the motion picture, digital media, and film production tax credit, they encountered opposition to the workforce development program tax credit. During the hearing on this measure, your Committees heard testimony from the Screen Actors Guild and one studio that the training of motion picture, television, and digital media crew members are and should be governed by a collective bargaining agreement, not by statute.

Finally, your Committees find that there is great need for an agency like the Public-Private Partnership Authority, which can bridge the gap between public agencies and the private sector, provide coordination and guidance, and help ensure that underutilized land is developed in an efficient yet socially responsible manner. There were concerns from the Department of the Attorney General, however, that the proposed S.D. 1 should be clarified as to the composition of the Board of Directors of the Authority, the powers of the Authority, and the funds that are to be deposited into the general fund.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Amending the composition of the Board of Directors of the High Technology Innovation Corporation so that it consists of nine voting members; substituting the division head of the Creative Industries Division of the Department of Business, Economic Development, and Tourism for the State Film Commissioner of the Hawaii Film Office; and adding two board members from the private business sector, one to be appointed by the Speaker of the House of Representatives and one to be appointed by the President of the Senate;
- (2) Inserting language to amend section 206M-52, Hawaii Revised Statutes, to make the Executive Director and Chief Executive Office of the High Technology Development Corporation the Chairperson of the Board of Directors of the High Technology Innovation Corporation;
- (3) Inserting language to amend section 206M-55, Hawaii Revised Statutes, to provide that the Board of Directors of the High Technology Innovation Corporation shall select its president;
- (4) Inserting language to provide that the terms of the current board members of the High Technology Innovation Corporation shall expire upon enactment of the measure;

- (5) Deleting part II of the proposed S.D. 1, which would have established a workforce development training program tax credit and extended the motion picture, digital media, and film production tax credit;
- (6) Amending the membership of the Board of Directors of the Public-Private Partnership Authority to allow its ex officio members to designate a representative;
- (7) Inserting language to specify that three members of the Public-Private Partnership Authority shall constitute a quorum, and three voting members are required for board action;
- (8) Clarifying that the Public-Private Partnership Authority has the power to make and execute leases;
- (9) Clarifying that all revenues generated by the Public-Private Partnership Authority or on its behalf shall be deposited into the general fund; 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 Economic Development, Government Operations and Housing and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 70, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 70, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, 1 (Thielen). Excused, none.

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 985      Tourism and Hawaiian Affairs on H.B. No. 222**

The purpose and intent of this measure is to appropriate funds for the Office of Hawaiian Affairs for the fiscal biennium beginning July 1, 2013, and ending June 30, 2015.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, Kanaiolowalu, Na Pua No'eau, Association of Hawaiian Civic Clubs, and five individuals. Na Pua No'eau also submitted a petition with more than two thousand signatures in support of this measure. Your Committee received comments on this measure from one individual.

The primary purpose of appropriations to the Office of Hawaiian Affairs is to provide services and assistance to Native Hawaiians in the form of social services, legal services, educational enrichment programs, health improvement program services, and leveraged opportunities. For the upcoming fiscal biennium, the Office of Hawaiian Affairs is requesting funds for its two new areas of focus, health improvement program services and leveraged opportunities. The Office of Hawaiian Affairs is also requesting an increase in funds for its educational enrichment programs and for personnel and operating costs. Your Committee appreciates the importance of funding the foregoing programs for the benefit of Native Hawaiians.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 222, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 222, 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, 3 (Hee, Kidani, Slom).

**SCRep. 986      Higher Education on H.B. No. 1071**

The purpose and intent of this measure is to authorize the Governor to request the Candidate Advisory Council for the Board of Regents of the University of Hawaii (Advisory Council) to present additional candidates for nomination to the Board of Regents of the University of Hawaii (Board of Regents) and require the Advisory Council to present the additional candidates within ninety days.

Your Committee received testimony in support of this measure from the Governor and the Regents Candidate Advisory Council for the Board of Regents.

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, your Committee finds that while the Advisory Council has nominated several outstanding appointees to the Board of Regents, a number of issues have arisen from the method of Regent selection that has hampered the work of the Advisory Council and led to questions regarding the final selection of appointees during the Senate confirmation process. The most recent example is the Senate's rejection of two of the Governor's nominees to the Board of Regents during the Regular Session of 2011.

Your Committee finds that allowing the Governor to request additional candidates for nomination to the Board of Regents will increase the Governor's ability to appoint highly qualified individuals to serve as Regents.

However, your Committee believes that the language in S.B. No. 563, S.D. 3 (Regular Session of 2013), better addresses the challenges facing the current Advisory Council. Specifically, S.B. No. 563, S.D. 3, requires the Advisory Council to provide a list of at least three candidates for each vacancy rather than a minimum of two under the current law. In addition, S.B. No. 563, S.D. 3, does not have a limitation on the number of candidates to be presented to the Governor, whereas the current law restricts the number of candidates presented to four. Your Committee believes that S.B. No. 563, S.D. 3, provides the Governor with greater flexibility in recruiting, selecting, and appointing qualified individuals to serve as Regents and effectively lead the University of Hawaii System.

As such, your Committee has amended this measure by deleting its contents and inserting the contents of S.B. No. 563, S.D. 3, which reconstitutes the form and processes of the Advisory Council by, among other things:

- (1) Establishing the Advisory Council and qualifications for its membership and placing it temporarily in the Office of the Governor for administrative purposes;
- (2) Describing the duties of the Advisory Council and procedures for selecting candidates to fill vacancies on the Board of Regents;
- (3) Amending the membership of the Advisory Council by increasing the number of members of the Advisory Council to be appointed by the Governor from one to five and removing the authority of various constituency groups to appoint members to the Advisory Council;
- (4) Requiring that one member of the Advisory Council be a student of the University who has been enrolled as a full-time student for at least three consecutive semesters;
- (5) Encouraging the President of the Senate, Speaker of the House of Representatives, and Governor to appoint University faculty and staff to the Advisory Council;
- (6) Requiring the Governor and the Senate to consider certain issues and take specific actions when participating in the nomination and confirmation process for the Board of Regents; and
- (7) Repealing section 304A-104.5, Hawaii Revised Statutes, relating to the Advisory Council.

Your Committee has further amended this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1071, 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 (Ige, Tokuda).

**SCRep. 987 Health on H.B. No. 1483**

The purpose and intent of this measure is to establish a task force that shall conduct a study on the feasibility of allowing the operations of one or more regional systems of the Hawaii Health Systems Corporation, or one or more of its individual health facilities, to transition to public-private ownership status.

Your Committee received testimony in support of this measure from Hawaii Health Systems Corporation, Banner Health, Japanese Chamber of Commerce and Industry of Hawaii, and twenty-seven individuals. Your Committee received testimony in opposition to this measure from United Public Workers, Hawaii Government Employees Association, and seventeen individuals. Your Committee received comments on this measure from the Office of Hawaiian Affairs, Hilo Medical Center, Hawaii Island Beacon Community, Maui Memorial Medical Center, Hale Ho'ola Hamakua, and six individuals.

Your Committee finds that the Hawaii Health Systems Corporation is the fourth largest public hospital system in the nation and operates public health care facilities that provide essential safety-net hospital and long-term care services throughout the State. The Hawaii Health Systems Corporation faces continued financial challenges, necessitating the consideration of various options to improve the quality, efficiency, and availability of health care services in Hawaii. Because of the unique struggles faced by public hospitals, your Committee finds that many states have looked to public-private partnership status as a vehicle to address these issues. Your Committee finds that the exploration of operating the Hawaii Health Systems Corporation as a public-private venture is a worthy pursuit and recommends the appointment of a task force to study the issue further.

Your Committee has amended this measure by:

- (1) Changing the composition of the task force to instead consist of the Director of Health or designee; Attorney General or designee; Director of Finance or designee; Chief Executive Officer of Hawaii Health Systems Corporation or designee; a member of the corporation board of the Hawaii Health Systems Corporation; Director of the State Health Planning and Development Agency; two public sector representatives; and Dean of the John A. Burns School of Medicine or designee;
- (2) Changing the effective date to July 1, 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 Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1483, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1483, 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 (Baker).

**SCRep. 988 Health on H.B. No. 1130**

The purpose and intent of this measure is to improve accountability in the health care system, support clear and consistent roles for all regional systems, and create a more balanced multi-board tiered system by shifting the voting powers of the five regional Chief Executive Officers on the Hawaii Health Systems Corporation Board of Directors to community members who are appointed by the Governor.



Your Committee received testimony in support of this measure from Hawaii Health Systems Corporation, United Public Workers, and two individuals.

Your Committee finds that changes in the health care industry and implementation of national health care reform necessitate that the Hawaii Health Systems Corporation Board of Directors (Board) have the necessary flexibility and autonomy needed for community hospitals to compete and remain viable. The Board currently includes five regional Chief Executive Officers who serve as ex-officio, voting members. In light of the successful establishment of the regional system boards, the significant challenges imposed by an ever-changing and complex health care environment, the time required to serve on the Board, and the desire for additional community participation, your Committee finds it appropriate to shift the voting powers of the five regional Chief Executive Officers on the Board to the community members from each of the regional systems.

Your Committee has amended this measure by inserting language to identify the types of expertise that the Board should collectively include.

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. 1130, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1130, H.D. 1, S.D. 1, and be 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. 989 Health on H.B. No. 910**

The purpose and intent of this measure is to render more efficient the processes surrounding conditional release without adversely impacting defendants' rights, the provision of effective mental health services, or public safety. Specifically, this measure, among other things:

- (1) Requires all public agencies in possession of specified records of a defendant ordered to be examined regarding the defendant's fitness to proceed to provide those records to the Court;
- (2) Limits to one year the period of conditional release ordered for defendants who were charged with a petty misdemeanor, misdemeanor, or violation;
- (3) Requires the tolling of the one-year term of conditional release for defendants charged with a petty misdemeanor, misdemeanor, or violation during any period of hospitalization ordered due to noncompliance with the terms of the conditional release and during the pendency of a motion to revoke the conditional release;
- (4) Requires the period of conditional release to be terminated upon revocation of the conditional release; and
- (5) Requires the Department of Health to report to the Legislature certain information regarding defendants discharged from conditional release.

Your Committee received testimony in support of this measure from the Judiciary, State of Hawaii; Department of Health; Hawaii Disability Rights Center; and Community Alliance for Mental Health. Your Committee received testimony in opposition to this measure from the City and County of Honolulu, Department of the Prosecuting Attorney. Your Committee received comments on this measure from the Department of the Attorney General.

Your Committee finds that conditional release means a person has been acquitted of a crime on the ground of a mental disease or disorder, excluding responsibility, but can be controlled adequately and given proper care, supervision, and treatment in the community under specified conditions. When, however, the supervising probation officer of a person on conditional release has probable cause to believe a person is in violation of the conditions of release, the officer may order a person to be hospitalized. Your Committee further finds that there is no time limit on how long a person may remain on conditional release even on misdemeanor charges, despite the fact that the same person, as a defendant found guilty in a court case, would receive a sentence or a period of probation limited to one year or less.

While it is clearly in the public interest to reduce the length of conditional release sentences to a maximum of one year, your Committee notes that there are public safety concerns that must be addressed. Specifically, your Committee notes the difficulties raised by the release of mentally ill persons who may be a danger to themselves or others. To that end, your Committee urges the Department of Public Safety and the Department of Health to collaborate in an effort to partner with private organizations to create a system of evaluation and assistance of mentally ill conditional release patients reentering society.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 910, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 910, 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 (Chun Oakland, Slom). Noes, none. Excused, none.

**SCRep. 990 Health on H.B. No. 908**

The purpose and intent of this measure is to establish the Hawaii home visiting program within the Department of Health to provide statewide hospital-based screening and home visiting services for families of newborns at risk for poor health and safety outcomes.

Your Committee received testimony in support of this measure from the Department of Health, Executive Office on Early Learning, Hawaii Family Support Institute, Catholic Charities Hawaii, March of Dimes Foundation, Child and Family Service, and three individuals.

Your Committee finds that home visiting is a prevention strategy used by states and communities to improve the health and well-being of women, children, and families at risk for adverse health and safety concerns, including child abuse and neglect. Early investments in home visiting programs have been shown to reduce costs associated with foster care placements, hospitalizations, emergency room visits, unintended pregnancies, and other more costly outcomes and interventions. Your Committee finds that the establishment of the Hawaii home visiting program will position the Department of Health to participate in the federal grant program, which will bring much-needed federal funding to the State and improve the health and safety of Hawaii's families. Your Committee also notes the importance of restoring the previously budgeted amount of \$3,000,000 to the program, which will ensure the success of the program and the health and security of the State's eligible 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 H.B. No. 908, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 991 Health on H.B. No. 652**

The purpose and intent of this measure is to make the remote dispensary law permanent by deleting the repeal date of January 2, 2014.

Your Committee received testimony in support of this measure from the Board of Pharmacy, Hawaii Pacific Health, Waianae Coast Comprehensive Health Center, and Kaiser Permanente. Your Committee received testimony in opposition to this measure from Hawaii Community Pharmacists Association and one individual.

Your Committee finds that many individuals living in underserved or remote areas need improved access to medications and pharmacy services. Act 212, Session Laws of Hawaii 2008, sought to address these issues by permitting remote dispensing pharmacy operations.

Your Committee notes, however, that the location of remote dispensing pharmacies near retail pharmacies may create operational challenges for retail pharmacies, making it difficult for retail pharmacies to remain profitable. Your Committee further notes that it is unclear the degree to which remote dispensing pharmacies are used by health maintenance organizations throughout the State and that further inquiry is necessary.

Your Committee has amended this measure by:

- (1) Inserting language to amend Act 212, Session Laws of Hawaii 2008, sections 461- (c) and 461- (o), Hawaii Revised Statutes, to change the prohibited area of operation of any new remote dispensing pharmacy from any location within five miles of any pharmacy to any location within ten miles of any pharmacy;
- (2) Amending section 7 of Act 212, Session Laws of Hawaii 2008, to extend the repeal date to January 1, 2016, rather than make the Act permanent; 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 H.B. No. 652, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 652, 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 (Chun Oakland).

**SCRep. 992 (Joint) Health and Technology and the Arts on H.B. No. 651**

The purpose and intent of this measure is to amend the Uniform Controlled Substances Act in chapter 329, Hawaii Revised Statutes, by adding definitions consistent with federal law, clarifying the conditions for electronic transmittal of prescriptions, and clarifying violations of prohibited acts.

Your Committees received testimony in support of this measure from the Department of Health, Department of Public Safety, Kaiser Permanente, CVS Caremark, Hawaii Medical Association, and one individual.

Your Committees find that permitting medical practitioners to electronically prescribe controlled substances and to convey the prescription directly to the pharmacy of the patient's choice will provide practitioners with a safer, more secure, and more timely means to prescribe controlled substances. Your Committees further find that the electronic transmission of controlled substances prescriptions is safe and efficient because it eliminates issues associated with forgeries, lost prescription documents, and illegible handwriting.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 651, H.D. 1, 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.

Health  
Ayes, 4. Noes, none. Excused, 1 (Baker).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 993 Health on H.B. No. 909**

The purpose and intent of this measure is to establish a statewide, comprehensive infant mortality reduction program within the Department of Health.

Your Committee received testimony in support of this measure from the Department of Health, Executive Office on Early Learning, American Congress of Obstetricians and Gynecologists, American Heart Association, Kapiolani Medical Center, and March of Dimes Foundation. Your Committee received testimony in opposition to this measure from Healthcare Association of Hawaii.

Your Committee finds that infant mortality in the State is an issue of serious concern. Your Committee also finds that pre-term deliveries may negatively impact infant mortality rates, but that more information is necessary before determining the best approach for addressing this issue.

Your Committee has amended this measure by:

- (1) Adding a new part establishing a task force that is to be convened by the Department of Health to collect data about the number of elective pre-term deliveries in Hawaii and whether Hawaii needs a point of care newborn screening program;
- (2) Changing the effective date to January 1, 2050; provided that parts I through IV shall take effect on January 1, 2015; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 909, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 909, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 994 (Joint) Agriculture and Judiciary and Labor on H.B. No. 749**

The purpose and intent of this measure is to promote economically competitive activities that increase Hawaii's agricultural self-sufficiency, attractiveness, and workforce opportunities by creating and appropriating funds for the Hawaii Agriculture Workforce Advisory Board within the Department of Labor and Industrial Relations.

Your Committees received testimony in support of this measure from the Department of Agriculture, Department of Labor and Industrial Relations, Hawaii Farm Bureau Federation, National Future Farmers of America Organization, and two individuals. Your Committees received comments on this measure from the Kohala Center.

Your Committees find that a robust agricultural workforce is critical to building a self-sustaining agricultural industry in Hawaii. Since the average age of farmers in Hawaii is approximately sixty years old, the State must promote and train future leaders in the agricultural sector to ensure that Hawaii will have a thriving agricultural industry in the future.

Your Committees have amended this measure by:

- (1) Clarifying that the President of the Hawaii Farm Bureau Federation, rather than a representative, shall be a member of the Hawaii Agriculture Workforce Advisory Board;
- (2) Specifying that section 26-34, Hawaii Revised Statutes, shall apply to the selection of members of the advisory board as appropriate;
- (3) Replacing the abbreviation "FFA" with "Future Farmers of America"; and
- (4) 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 749, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 749, 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.  
Agriculture  
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Slom).  
Judiciary and Labor  
Ayes, 3. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 995 (Joint) Energy and Environment and Economic Development, Government Operations and Housing on H.B. No. 811**

The purpose and intent of this measure is to:

- (1) Improve the ease and efficiency of Energy Industry Information Reporting Act processes for reporting entities by combining all information and registration gathering functions within the Department of Business, Economic Development, and Tourism; and

- (2) Clarify the enforcement and investigatory powers of the Public Utilities Commission following the consolidation of information gathering and registration functions 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 and the Public Utilities Commission.

Your Committees find that the Public Utilities Commission presently administers the registration and information gathering requirements of the Energy Industry Information Reporting Act. The Department of Business, Economic Development, and Tourism also performs similar energy industry information gathering functions under other statutes and has a well-established database system. In the interest of administrative efficiency, your Committees find it beneficial and necessary to transfer the registration and information gathering functions under the Energy Industry Information Reporting Act to the Department of Business, Economic Development, and Tourism. Additionally, in light of the transfer of information gathering responsibilities proposed by this measure, your Committees find that the attendant enforcement duties should be referred to the Attorney General.

Your Committees have amended this measure by changing the effective date to July 1, 2013.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 811, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 811, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, English).

**SCRep. 996 Technology and the Arts on H.B. No. 358**

The purpose and intent of this measure is to:

- (1) Require both chambers of the Legislature to establish rules to enable the Legislature to receive at legislative committee hearings live oral testimony from neighbor island residents through audio or audiovisual technology;
- (2) Require each chamber to seek out agency sites that have audio or audiovisual capability that could be used for the presentation of live testimony; and
- (3) Appropriate funds to establish audiovisual systems throughout the State to enable neighbor island residents to present oral testimony at legislative committee hearings.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Office of Information Management and Technology, Common Cause Hawaii, Hawaiian Shores Community Association, and nine individuals.

Your Committee finds that traveling to Honolulu from neighbor islands to give testimony to the Legislature in person is often expensive and time consuming. This measure embraces available technology to engage and encourage neighbor island residents to participate in the legislative process.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 358, H.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 997 Technology and the Arts on H.B. No. 762**

The purpose and intent of this measure is to:

- (1) Designate the Department of Accounting and General Services as the entity responsible for preserving and protecting Washington Place; and
- (2) Establish the Washington Place trust fund for the preservation and protection of Washington Place.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services.

Your Committee finds that in 2012, funding for the management and operation of Washington Place was transferred to the Department of Accounting and General Services. This measure codifies the transfer and requires that all rents and fees collected for the use of Washington Place be deposited into a trust fund for the repair, maintenance, and upkeep of the facility.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 762, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 998 Human Services on H.B. No. 266**

The purpose and intent of this measure is to establish and provide appropriations for a statewide language access resource center and multilingual website pilot project to be administered by the Office of Language Access.

Your Committee received testimony in support of this measure from the Department of Human Resources Development, Hawaii Public Housing Authority, Office of Language Access, Hawaii Civil Rights Commission, Office of Language Access Advisory Committee, American Translators Association, Catholic Charities Hawaii, Congress of Visayan Organizations, Hawaii Filipino Lawyers Association, and fourteen individuals. Your Committee received comments on this measure from the Office of Information Management and Technology.

Your Committee finds that despite the inception of Hawaii's language access law and the Office of Language Access, there are still major challenges in Hawaii regarding agency compliance, such as the lack of a comprehensive and centralized system or structure in Hawaii to identify qualified language interpreters and translators and the lack of multilingual websites that can help limited English proficient persons access needed information from state agencies in their native language. Ironically, Hawaii has a dearth of competent language interpreters and translators available to assist limited English proficient individuals.

Your Committee further finds that a language access resource center will benefit agencies, interpreters, translators, and the limited English proficient population alike since it addresses the problem of supply and demand of interpreters and translators, increases and improves the number and quality of language service providers, and provides Hawaii's limited English proficient population a better means to access state and state-funded services.

Your Committee has amended this measure by:

- (1) Clarifying that the targeted limited English proficient groups for the multilingual website are the twelve largest limited English proficient groups in the State;
- (2) Inserting language to specify that the multilingual website pilot project shall end on June 30, 2017;
- (3) Inserting language to specify that the Office of Language Access shall submit a report regarding the multilingual website pilot project to the Legislature no later than twenty days prior to the convening of the 2017 Regular Session;
- (4) Clarifying the mandate to hire bilingual staff;
- (5) Inserting language to require that the multilingual website pilot project be developed in consultation with the Office of Information Management and Technology;
- (6) Inserting an appropriation amount of \$400,000 for fiscal year 2013-2014 and adding an appropriation of \$400,000 for fiscal year 2014-2015 for the establishment of the statewide language access resource center within the Office of Language Access;
- (7) Inserting an appropriation amount of \$190,000 for fiscal year 2013-2014 and adding an appropriation of \$190,000 for fiscal year 2014-2015 for the establishment of a multilingual website pilot project; 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 H.B. No. 266, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 266, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 999 Human Services on H.B. No. 529**

The purpose and intent of this measure is to require all operators of adult foster homes, assisted living facilities, expanded adult residential care homes, community care foster family homes, and developmental disabilities domiciliary homes to maintain a sufficient amount of liability insurance.

Your Committee received testimony in support of this measure from the Department of Health, State Council on Developmental Disabilities, Adult Foster Homecare Association of Hawaii, and one hundred-two individuals. Your Committee received comments on this measure from the Department of Human Services and three individuals.

Your Committee finds that requiring operators of care 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) Deleting language that would have required, under chapter 346, Hawaii Revised Statutes, assisted living facilities and expanded adult residential care homes to obtain and maintain liability insurance in a coverage amount deemed sufficient and appropriate by the Department of Human Services until July 1, 2014;
- (2) Adding language to chapter 346, Hawaii Revised Statutes, to require community care foster family homes to maintain coverage for auto liability insurance and to clarify the coverage amounts deemed sufficient and appropriate by the Department of Human Services for community care foster family homes until July 1, 2014;
- (3) Adding language to chapter 346, Hawaii Revised Statutes, that requires the Department of Human Services, or its designee, to annually verify the proof of liability insurance for both the home and for vehicles used to transport home residents for community care foster family homes until July 1, 2014;

- (4) Amending section 321-11.2(a), Hawaii Revised Statutes, to expand the definition of “adult foster home” to include a private home providing care on a twenty-four hour basis for adults with intellectual disabilities;
- (5) Deleting language in section 321-11.7(a), Hawaii Revised Statutes, that would have required adult foster care homes operating under the waiver program with the Department of Human Services and community care foster family homes to obtain and maintain liability insurance in a coverage amount deemed sufficient and appropriate by the Department until July 1, 2014;
- (6) Adding language to section 321-11.7, Hawaii Revised Statutes, to require developmental disabilities domiciliary homes to obtain and maintain liability insurance in specified coverage amounts until July 1, 2014;
- (7) Deleting language that would have exempted specified adult foster homes, adult residential care homes, assisted living facilities, expanded adult residential care homes, and developmental disabilities domiciliary homes from obtaining and maintaining liability insurance beginning on July 1, 2014;
- (8) Amending section 321-11.7(a), Hawaii Revised Statutes, to require developmental disabilities domiciliary homes to maintain liability insurance and automobile liability insurance and require the Department of Health to verify proof of the insurance until July 1, 2014;
- (9) Adding language to chapter 321, Hawaii Revised Statutes, to:
  - (A) Require adult foster homes, adult residential care homes, assisted living facilities, community care foster family homes, developmental disabilities domiciliary homes, and expanded adult residential care homes to maintain coverage for automobile liability insurance;
  - (B) Clarify the coverage amounts deemed sufficient and appropriate by the Department of Health; and
  - (C) Require the Department of Health, or its designee, to annually verify the proof of liability insurance for both the home and for vehicles used to transport home residents, beginning on July 1, 2014;
- (10) Inserting language to extend the sunset date of Act 221, Session Laws of Hawaii 2011, to July 1, 2014, and deleting the reenactment provisions, and making that section of this measure effective on June 29, 2013;
- (11) Increasing the client limit for adult foster homes to three adults with developmental or intellectual disabilities; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 529, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 529, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 1000 Commerce and Consumer Protection on H.B. No. 1202**

The purpose and intent of this measure is to clarify that:

- (1) A professional or vocational licensee who inadvertently fails to maintain licensing requirements but who subsequently corrects the failure so that there was no lapse in licensure shall not be guilty of unlicensed activity; and
- (2) A contractor who inadvertently fails to maintain licensing requirements and who subsequently corrects the failure so that there was no lapse in licensure shall not be guilty of unlicensed contracting activity.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Subcontractors Association of Hawaii.

Your Committee finds that this measure is intended to clarify that certain professional or vocational licensees or contractors, licensed under either chapter 436B or 444, Hawaii Revised Statutes, who inadvertently fail to renew their licenses shall not be treated as unlicensed contractors after the subsequent renewal of their licenses.

Your Committee further finds that section 444-11.1, Hawaii Revised Statutes, states that the Contractors License Board cannot restore a forfeited license unless there is satisfactory proof of continuous insurance and bond coverage; however, this section also provides that a licensee who restores a license within sixty days is not required to reapply as a new applicant. An amendment to this measure is therefore necessary to conform to existing licensure requirements under chapter 444, Hawaii Revised Statutes, by clarifying that a lapse in licensure of no more than sixty days does not constitute unlicensed contracting activity.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that a contractor who inadvertently fails to maintain licensing requirements under chapter 444, Hawaii Revised Statutes, and who subsequently corrects the failure so that there was a lapse of no more than sixty days in licensure shall not be guilty of unlicensed contracting activity;
- (2) Inserting an effective date of July 1, 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1202, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1202, 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 (Galuteria, Taniguchi).

**SCRep. 1001 Commerce and Consumer Protection on H.B. No. 847**

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii Medical Board to summarily suspend a license and order a licensee to submit to a physical and mental examination under specific circumstances; and
- (2) Specify immunities for licensees who provide certain information to the Hawaii Medical Board.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Hawaii Medical Board, Hawaii Medical Association, and Hawaii Medical Service Association.

Your Committee finds that the Hawaii Medical Board and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs have implemented a number of initiatives to improve investigation and handling of complaints against physicians and enhance protection of the State's healthcare consumers. One such consumer protection proceeding is the ability for a licensing authority to summarily suspend a professional license.

Your Committee further finds that this measure tailors the process for summary suspension to more appropriately address proceedings for physician licensees. This measure also ensures fairness to licensees by providing an appropriate means to appeal a Hawaii Medical Board action and provides immunity for certain situations when a licensee comes forward with information indicating a fellow licensee may be guilty of unprofessional conduct or may be impaired.

Your Committee additionally finds that the Regulated Industries Complaints Office and the Hawaii Medical Board previously reached a consensus requiring a hearing within seven business days of a request for a hearing to show cause and a hearing for disciplinary action within twenty business days of a summary suspension order. Amendments to this measure are therefore necessary to reflect the appropriate timeframe previously agreed to by the Regulated Industries Complaints Office and the Hawaii Medical Board.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the authorization in this measure to hold hearings and determine if a licensee is able to practice medicine with reasonable skill and safety to patients is an authority held solely with the Hawaii Medical Board, rather than with the Hawaii Medical Board or its delegate;
- (2) Specifying that the Hawaii Medical Board shall hold a hearing within seven business days of a request for a hearing to show cause;
- (3) Specifying that the Hawaii Medical Board shall conduct a hearing for disciplinary action against a licensee whose license has been summarily suspended within twenty business days from the effective date of the order of summary suspension; and
- (4) Inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members of 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. 847, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 847, H.D. 2, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Taniguchi, Wakai).

**SCRep. 1002 Commerce and Consumer Protection on H.B. No. 21**

The purpose and intent of this measure is to:

- (1) Amend procedures for reimbursement for common assessments by condominium associations after delinquency or foreclosures;
- (2) Authorize the collection of specified amounts for deposit into a reserve account to pay for unpaid common assessments in the event of foreclosure or unit sale or transfer; and
- (3) Specify how excess rental income received by a condominium association shall be paid to existing lien holders.

Your Committee received testimony in support of this measure from the Hawaii Bankers Association; Hawaii Financial Services Association; Hawaii Credit Union League; Mortgage Bankers Association of Hawaii; Oahuan Tower Corporation; and two individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS; Community Associations Institute, Hawaii Chapter; and seven individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Kona West Association of Apartment Owners; The Hilo Lagoon Centre Association of Apartment Owners; Associa Hawaii; OLS Hotels & Resorts, LP; Castle Resorts & Hotels, Inc.; Country Club Village, Phase Two Association of Apartment Owners; and numerous individuals.

Your Committee finds that this measure is intended to assist condominium associations with the collection of unpaid common assessments by permitting an association to collect a delinquency reserve from each owner in a condominium. If an owner later becomes delinquent, an association can use that owner's delinquency reserve to pay off the owner's unpaid assessments in the event of a foreclosure of the owner's unit.

Your Committee further finds that this measure, as it was originally introduced, provided associations with an absolute unlimited priority for monthly common assessments over the lien of any mortgage. Although your Committee has heard testimony stating that this measure in its original form is preferable, your Committee notes that no other state permits an unlimited super lien for common assessments. Your Committee additionally finds that imposing such an unlimited super lien for common assessments would likely have many unintended consequences on Hawaii's mortgage market, including Hawaii condominium projects being ineligible for VA and FHA loans or Fannie Mae declining to buy Hawaii mortgage loans.

However, your Committee understands the concerns shared by condominium associations and non-defaulting unit owners and mortgagors. Your Committee finds that the costs of default in a condominium are substantially born by condominium associations and non-defaulting unit owners and mortgagors in the affected communities. Your Committee further finds that the lending industry has an interest in preserving the value of the condominium projects that make up part of the lending industry's collateral. Repairs, maintenance, security, and insurance provided by a condominium association and paid for through common assessments are essential to preserving that value.

Your Committee additionally finds that because there are legitimate but competing issues relating to common assessments, the needs of the lending industry and condominium associations and non-defaulting unit owners must be appropriately balanced when attempting to create a priority lien for common assessments. As a preliminary note, your Committee finds that Hawaii does not currently have a true six-month priority super lien. Under true super priority liens, a lender must pay an association the amount of the super lien when the lender acquires a unit in foreclosure. In comparison, section 514B-146, Hawaii Revised Statutes, requires the person who purchases a unit from the lender to pay the association.

Your Committee also finds that section 3-116 of the Uniform Common Interest Ownership Act can be used as a starting point to create a true six-month super priority lien for common assessments in Hawaii. The Uniform Common Interest Ownership Act was originally adopted by the Uniform Law Commission in 1984, with the most recent amendments adopted in 2008, and is a comprehensive act that governs the formation, management, and termination of common interest communities, including condominiums. Section 3-116 of the Uniform Common Interest Ownership Act, as appropriately modified to apply to Hawaii's condominium law, is a reasonable approach that will permit a six-month super lien for common assessments. This will provide condominium associations and non-defaulting unit owners with relief while also addressing some of the concerns of the lending industry. Amendments to this measure that incorporate certain elements of section 3-116 of the Uniform Common Interest Ownership Act are therefore necessary.

Your Committee notes that the provisions in this measure amending section 514A-90, Hawaii Revised Statutes, are unnecessary, as the proposed amendments to section 514B-146, Hawaii Revised Statutes, are sufficient. Pursuant to section 514B-22, Hawaii Revised Statutes, any amendment to part VI of chapter 514B, Hawaii Revised Statutes, which includes section 514B-146, Hawaii Revised Statutes, applies to all condominiums for events and circumstances occurring on or after July 1, 2006. Amendments to this measure are therefore necessary to remove these unnecessary provisions.

Finally, your Committee notes that although this measure authorizes the collection of a delinquency reserve from each owner in a condominium, associations already have the authority to take anticipated delinquencies into account when setting an annual budget. Furthermore, charging an additional amount to condominium owners who are already unable to pay common assessments does not adequately address the delinquency problems faced by condominiums. Your Committee therefore concludes that an amendment removing this proposed language is appropriate.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have amended section 514A-90, Hawaii Revised Statutes, as the proposed amendments to section 514B-146, Hawaii Revised Statutes, apply to chapters 514A and 514B, Hawaii Revised Statutes;
- (2) Clarifying that a board of directors of a condominium association has the authority to collect a six-month special assessment from the mortgagee or other purchaser of a condominium unit with a recorded lien for delinquent common assessments;
- (3) Deleting language that authorized an association to collect from unit owners, on a monthly basis at a rate of no more than ten percent of the regular monthly common assessments, an amount equal to twelve months of regular monthly common assessments as surety against the nonpayment of regular monthly common assessments following the foreclosure, sale, or transfer of a condominium unit;
- (4) Inserting an effective date of July 1, 2013; 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. 21, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 21, 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. 1003 (Joint) Commerce and Consumer Protection and Judiciary and Labor on H.B. No. 65**

The purpose and intent of this measure is to:



- (1) Allow beneficiaries of prescription drug benefits providers to opt out of the requirement to purchase prescription drugs from a mail-order pharmacy and alternatively purchase prescription drugs from a retail pharmacy;
- (2) Prohibit a pharmacy benefit management company from restricting a patient's choice of pharmacy from which to receive prescription medications; and
- (3) Prohibit a pharmacy benefit manager from manipulating the amounts of drug co-payments that it charges in a manner that would encourage beneficiaries to receive prescription medications through a mail-order pharmacy.

Your Committees received testimony in support of this measure from the National Community Pharmacists Association; Hawaii Community Pharmacists Association; Hawaii Food Industry Association; Times Supermarket; Walgreen Co.; Mina Pharmacy; Molokai Drugs, Inc.; and twelve individuals. Your Committees received testimony in opposition to this measure from the Department of Budget and Finance; Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees; Hawaii Medical Service Association; Kaiser Permanente Hawaii; CVS Caremark Corporation; and Express Scripts. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that professional pharmacists are an important part of the health care system. Doctors and patients rely on pharmacists for effective medication management. Pharmacists can be especially important to patients with chronic conditions or complex medical needs who take multiple medications. Your Committees further find that this measure will permit Hawaii residents to utilize the services of community pharmacists, rather than requiring residents to obtain prescription medications strictly through the mail. This flexibility will ensure that patients maintain control of their choices when filling prescriptions.

Your Committees have heard the concerns that this measure may have unintended consequences, including the potential for increased prescription drug costs. Although your Committees are sympathetic to these concerns, your Committees find that there is merit to implementing a policy change, as proposed by this measure, to ensure consumer choice. Nevertheless, your Committees conclude that a five year sunset date and a reporting requirement for this measure is also appropriate. This will allow all entities affected by this measure to consider the overall impact of an opt-out requirement for prescription drug benefit plans in Hawaii, including any economic effects.

Accordingly, your Committees have amended this measure by:

- (1) Requiring affected entities to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2018;
- (2) Inserting an effective date of July 1, 2013, and a repeal date of June 30, 2018;
- (3) Amending the purpose section for clarity; 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. 65, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 65, 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.

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

Judiciary and Labor

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

#### **SCRep. 1004 (Joint/Majority) Human Services and Commerce and Consumer Protection on H.B. No. 1**

The purpose and intent of this measure is to require and appropriate funds for the Director of the Executive Office on Aging to contract for the performance of a policy analysis of the policy options identified in the Long Term Care Commission's recommendations to the Legislature dated January 18, 2012, and an actuarial analysis of a proposed limited, mandatory, public long term care insurance program for the State's working population.

Your Committees received testimony in support of this measure from the Executive Office on Aging, County of Hawaii Office on Aging, Policy Board for Elder Affairs, AARP Hawaii, Faith Action for Community Equality, Hawaii Alliance for Retired Americans, Hawaii Family Caregiver Coalition, ILWU Local 142, and six individuals. Your Committees received comments on this measure from the National Association of Insurance and Financial Advisors-Hawaii and one individual.

Your Committees find that Hawaii's population is aging rapidly. In 2012, there were approximately 206,000 people over age sixty-five in Hawaii. In 2032, that number will increase by sixty-one percent to a total of 331,000. This increase in the aging population will create an increase in need for long term care. Approximately sixty-nine percent of people who turned sixty-five in 2005 will need long term care before they die.

Your Committees further find that Hawaii long term care costs are among the highest in the nation and unaffordable by most Hawaii residents, as only twelve percent of Hawaii residents over forty have a long term care insurance policy. In response to long term care issues, the Long Term Care Commission submitted its recommendations to the Legislature on January 18, 2012. The Commission recommended a limited, mandatory, public long term care insurance program for employees as a viable way to increase funding for the expanding need for long term care services, which would provide persons meeting the vesting period with a limited but meaningful benefit should they need long term care. No other option considered would raise revenue for long term care and provide coverage to the vast majority of residents.

Your Committees have amended this measure by:

- (1) Deleting language that would have required the Director of the Executive Office on Aging to contract for a policy analysis to craft details of the social insurance proposal;
- (2) Inserting language to require the Director of the Executive Office on Aging to contract for a feasibility study to design a limited, mandatory, public long term care financing program for the State;
- (3) Inserting language to specify items that may be analyzed as part of the feasibility study for a limited, mandatory, public long term care financing program;
- (4) Amending language detailing the contents of the actuarial analysis;
- (5) Requiring the feasibility study to be completed and submitted to the Director of the Executive Office on Aging by June 30, 2014, and included in the Director's report to the Legislature; and
- (6) Inserting language to include the feasibility study, along with the actuarial analysis, as the purpose of the appropriation.

Your Committees request that your Committee on Ways and Means consider inserting an appropriation amount of \$380,000 for the performance of the feasibility study and the actuarial analysis for a limited, mandatory, public long term care financing program for the State's working population.

As affirmed by the records of votes of the members of your Committees on Human Services and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1, 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.

Human Services

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

Commerce and Consumer Protection

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

**SCRep. 1005 (Joint) Health and Public Safety, Intergovernmental and Military Affairs on H.B. No. 668**

The purpose and intent of this measure is to transfer the State's medical use of marijuana program from the Department of Public Safety to the Department of Health.

Your Committees received testimony in support of this measure from the Department of Public Safety; Department of Health; American Civil Liberties Union of Hawaii; Americans for Safe Access; Community Alliance on Prisons; Drug Policy Action Group; Natural Cancer Wellness Foundation; Tree House Palace; The Religion of Jesus Church; and twenty-two individuals. Your Committees received testimony in opposition to this measure from the City and County of Honolulu, Department of the Prosecuting Attorney; City and County of Honolulu Police Department; County of Maui Police Department; and County of Hawaii Police Department. Your Committees received comments on this measure from the Department of Budget and Finance and one individual.

Your Committees find that the medical use of marijuana program is currently administered by the Department of Public Safety. Your Committees further find that given the medical nature of the program, the Department of Health is the appropriate state department to administer the program. Because of the enormity of the transfer process and the numerous, complicated issues that must be addressed during the transfer, your Committees find that it is necessary to establish a transition advisory group consisting of the Director of Health, Attorney General, and Deputy Director of Law Enforcement. The advisory group will submit recommendations to the Legislature on how to best transition the medical use of marijuana program from the Department of Public Safety to the Department of Health.

Your Committees have amended this measure by:

- (1) Adding a new section to chapter 321, Hawaii Revised Statutes, creating the medical marijuana advisory group, comprised of the Director of Health, Attorney General, and Deputy Director of Law Enforcement, and requiring the group to make transition recommendations to the Legislature by December 31, 2013;
- (2) Inserting a blank amount for the medical marijuana registration fee;
- (3) Delaying the deadline by which all rights, powers, functions, and duties of the Department of Public Safety relating to the medical use of marijuana program shall be transferred to the Department of Health to January 1, 2015;
- (4) Clarifying throughout the measure that the Department of Public Safety and Department of Health shall finalize a plan to transfer and execute the transfer of the medical use of marijuana program in accordance with the recommendations of the transition advisory group;
- (5) Changing the effective date to upon approval; and
- (6) Inserting language to repeal the Act on December 31, 2014, if the recommendations of the transition advisory group are not codified in the Hawaii Revised Statutes by December 30, 2014.

As affirmed by the records of votes of the members of your Committees on Health and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 668, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 668, H.D. 2, S.D. 1, and be referred to the Committees on Judiciary and Labor and Ways and Means.

Signed by the Chairs on behalf of the Committees.

Health

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

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Galuteria).

**SCRep. 1006 (Joint/Majority) Health and Technology and the Arts on S.C.R. No. 16**

The purpose and intent of this measure is to:

- (1) Request the State to support the efforts of the Hawaii Health Care Project and Hawaii Health Information Exchange to ensure that the integrated technology-based healthcare information system is developed with and maintained under a public-private partnership to include those with shared interests in providing data into and receiving data through the system;
- (2) Encourage all state agencies that collect and maintain healthcare-related data and information to cooperate with the Hawaii Health Care Project and Hawaii Health Information Exchange's effort to develop and implement the technology-based healthcare information system;
- (3) Request the Hawaii Health Care Project, in cooperation with the Hawaii Health Information Exchange, to propose a sustainability model that maintains the technology-based healthcare information system and provides for all entities that benefit from the system to fairly share in the financial responsibility to maintain that system and to submit the proposed model the Legislature; and
- (4) Urge the State to maximize efforts at applying for and receiving federal funding for the development and improvement of technology-based healthcare information systems.

Your Committees received testimony in support of this measure from the Department of Health, Department of Commerce and Consumer Affairs, Health Information Exchange, Hawaii Pacific Health, and one individual.

Your Committees find that a more coordinated and timely sharing of appropriate medical records exchanged in a secure manner will help prevent and manage obesity in Hawaii's population. This measure supports an integrated information technology system that provides an efficient means to share clinical and other healthcare-related data.

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 Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 16, as amended herein, and recommend that it be referred to the Committee on Commerce and Consumer Protection, in the form attached hereto as S.C.R. No. 16, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Baker).

Technology and the Arts

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Gabbard, Tokuda).

**SCRep. 1007 (Joint) Technology and the Arts and Commerce and Consumer Protection on H.B. No. 713**

The purpose and intent of this measure is to prohibit employers from requiring, requesting, suggesting, or causing employees and potential employees to grant access to personal account usernames or passwords, except those reasonably believed to be relevant to investigations of employee misconduct or violation of applicable law.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations, Hawaii Civil Rights Commission, American Civil Liberties Union of Hawaii, and Prudential Financial. Your Committees received testimony in opposition to this measure from the Police Department, County of Maui; Chamber of Commerce of Hawaii; State Privacy and Security Coalition; and American Council of Life Insurers.

Your Committees find that obtaining private account log-in information for employees or potential employees can be a significant privacy intrusion and should occur only for very narrow and specific purposes. This measure is necessary to protect the rights and expectations of privacy for employees and job applicants.

Your Committees have amended this measure by:

- (1) Deleting the language that would have inserted the new statutory language proposed by this measure in part I of chapter 378, Hawaii Revised Statutes, leaving the chapter 378, Hawaii Revised Statutes, designation;
- (2) Limiting the prohibition on employers from the requiring or requesting of access to an employee or potential employee's personal account, rather than the requiring, requesting, suggesting, or causing of access, which is overbroad;
- (3) Clarifying the exceptions for when an employer may require or request access to an employee or potential employee's personal account during an investigation;
- (4) Clarifying acts that are permissible and for which employers shall not be liable under this measure;

- (5) Permitting an employer to require or request access to an employee or potential employee's personal account for the purposes of monitoring, reviewing, accessing, or blocking electronic data stored on an electronic communications device fully or partially funded by the employer or on the employer's network; 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 Technology and the Arts 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. 713, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 713, 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.

Technology and the Arts

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

**SCRep. 1008 (Joint) Human Services and Judiciary and Labor on H.B. No. 888**

The purpose and intent of this measure is to establish a process whereby the Hawaii Public Housing Authority may dispose of abandoned or seized property that it has acquired on state low-income housing projects.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committees find that currently, when a tenant vacates the Hawaii Public Housing Authority's state low-income public housing developments, section 356D-56, Hawaii Revised Statutes, requires that the Authority retain possession of such personal articles for a period of four months after termination of occupancy prior to disposing of them at auction. While the statute authorizes the Authority to place a lien on the personal property and to recover fees relating to storage and re-possession of the articles by the former tenant, costs incurred by this process far outweigh any benefits to the public because often times such personal property is of little value.

Your Committees further find that H.B. No. 888 (Regular Session of 2013), as introduced, takes into account the realities of the situation regarding abandoned or seized property at state public housing projects.

Your Committees have amended this measure by deleting its contents and inserting language from H.B. No. 888, as introduced, which provides a more streamlined process by which the Authority may dispose of abandoned or seized property that it has acquired on state public housing projects, and have an effective date of upon approval, and further amending the 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 888, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 888, 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.

Human Services

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

Judiciary and Labor

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

**SCRep. 1009 (Joint) Human Services and Judiciary and Labor on H.B. No. 1137**

The purpose and intent of this measure is to:

- (1) Clarify the appointment requirements and qualifications for child custody evaluators; and
- (2) Require the Judiciary to establish a complaint process regarding a child custody evaluator appointed by the court.

Your Committees received testimony in support of this measure from the National Association of Social Workers, Hawaii Chapter; Institute on Violence, Abuse, and Trauma at Alliant International University; and nine individuals. Your Committees received testimony in opposition to this measure from three individuals. Your Committees received comments on this measure from the Judiciary and Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division.

Your Committees find that Act 149, Session Laws of Hawaii 2008 (Act 149), requires the court to define the requirements to be a court-appointed child custody evaluator; the standards of practice, ethics, policies, and procedures required of court-appointed child custody evaluators in the performance of their duties for all courts; and the powers of the courts over child custody evaluators to effectuate the best interests of a child in a contested custody dispute. Act 149 further provides that where there is no child custody evaluator available that meets the requirements and standards, or any child custody evaluator to serve indigent parties, the court may appoint a person otherwise willing and available.

Your Committees further find that actions for divorce, separation, annulment, separate maintenance, or any other proceeding where there is at issue a dispute as to the custody of a minor child, allow the family court, during the pendency of the action, at the final hearing, or any time during the minority of the child, to make an order for the custody of the minor child as may seem necessary or proper. For this purpose, section 571-46, Hawaii Revised Statutes, allows the court to appoint a child custody evaluator to investigate and report concerning the care, welfare, and custody of any minor child of the parties, or any party to produce an expert, whose skill,

insight, knowledge, or experience is such that the person's or expert's testimony is relevant to a just and reasonable determination of what is for the best physical, mental, moral, and spiritual well-being of the child whose custody is at issue.

Your Committees also find that Act 149 needs clarification in the interests of expediting the establishment of a system of child custody evaluators in order to ensure competent evidence and a fair determination of awarding child custody.

Your Committees have amended this measure by:

- (1) Deleting language that would have allowed a person to be appointed as a child custody evaluator if a child custody evaluator with specialized knowledge and training certifies that the person has prior experience as a court custody evaluator;
- (2) Inserting language that allows a person to be appointed as a child custody evaluator if the individual has obtained education and training that meet nationally recognized competencies and standards of practice in child custody evaluation;
- (3) Deleting language that would have required the Judiciary to establish a complaint process so that parties may file a complaint regarding a child custody evaluator appointed by the court;
- (4) Inserting language requiring the Judiciary to establish a referral process to refer a party to the appropriate licensing or certifying authority upon notification by the party of an intent to file a complaint against a child custody evaluator appointed by the court;
- (5) Inserting language to require the Judiciary to submit an annual report to the Legislature regarding the number of complaints processed through the referral process;
- (6) Adding language to allow a complaint against a child custody evaluator who does not meet the qualifications proposed by this measure to be resolved through civil litigation; 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 Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1137, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1137, 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.

Human Services

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

Judiciary and Labor

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

**SCRep. 1010 (Joint) Human Services and Judiciary and Labor on H.B. No. 1068**

The purpose and intent of this measure is to:

- (1) Require employers to post in a conspicuous place a poster that provides specified information relating to human trafficking and the availability and description of the National Human Trafficking Resource Center hotline; and
- (2) Establish penalties for violations of the poster requirement.

Your Committees received testimony in support of this measure from IMUAlliance, the Pacific Alliance to Stop Slavery, Outrigger Enterprises Group, MADE IN HOPE, Tahiri Association, Courage House Hawaii, and fifty-one individuals. Your Committees received testimony in opposition to this measure from the Department of Labor and Industrial Relations and Libertarian Party of Hawaii. Your Committees received comments on this measure from The Chamber of Commerce of Hawaii, Hawaii State AFL-CIO, and Healthcare Association of Hawaii.

Your Committees find that victims of human trafficking are commonly linked by poverty and a lack of opportunity and are often seeking to escape their impoverished life with the hope of finding opportunity and a brighter future in the United States, including Hawaii. Human traffickers frequently promise unsuspecting victims an opportunity to travel, at no immediate expense, for employment and housing. When these victims reach their destination, they are often forced to work in various types of jobs that range from the sex trade to virtual slave labor. By the time these individuals are rescued, if ever, their physical, mental, and psychological state have been shattered, with many becoming ill and some even losing their lives. This measure attempts to assist these victims.

Your Committees have amended this measure by:

- (1) Amending language establishing the locations in which establishments shall post information relating to human trafficking and the National Human Trafficking Resource Center hotline;
- (2) Inserting a definition for the term "establishment" to mean:
  - (A) Any entity that holds a class 5 or class 11 liquor license pursuant to section 281-31, Hawaii Revised Statutes;
  - (B) A hospital emergency room;
  - (C) A massage therapy establishment; or
  - (D) A farm operation employing five or more persons;
- (3) Adding language to allow the Department of Labor and Industrial Relations to contract with other state or county agencies for the purposes of implementing or enforcing 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 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. 1068, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1068, 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.

Human Services

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

Judiciary and Labor

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

**SCRep. 1011 Judiciary and Labor on H.B. No. 808**

The purpose and intent of this measure is to preserve the tax-qualified status of the Employees' Retirement System by providing that civil union partners are not entitled to spousal rights under the Employees' Retirement System where application of those spousal rights to civil union partners conflicts with the Internal Revenue Code.

Your Committee received testimony in support of this measure from the Board of Trustees of the Employees' Retirement System.

Your Committee finds that the Employees' Retirement System (ERS) is a tax-exempt, qualified retirement plan under section 401(a) of the Internal Revenue Code. If the ERS should lose its tax-exempt status, the federal tax consequences would be extremely harmful to its members, as contributions received from employee members would no longer have favorable pre-tax treatment and would instead be entirely subject to federal income tax at the time of contribution. In addition, all members would be taxed on the value of their total accrued retirement benefits at the time they vest rather than when they receive their retirement benefits.

In order to maintain its tax-qualified status, the ERS must meet the applicable Internal Revenue Code requirements in form and in operation. Although, in general, the rights and duties of members, retirees, and beneficiaries of the ERS are governed entirely by state law, where there are conflicts between state law and applicable federal law, the ERS must satisfy federal tax law or risk losing its tax-qualified status.

Certain provisions of federal tax law applicable to the ERS allow only a "spouse" of a retirement system member or retiree to receive certain rights or benefits. The federal Defense of Marriage Act of 1996 requires that when interpreting federal law, rules, regulations, and interpretations, such as the Internal Revenue Code and the regulations adopted under the Internal Revenue Code, "the word 'spouse' refers only to a person of the opposite sex who is a husband or a wife." This measure provides that civil union partners who are not spouses under federal law are not entitled to the benefits of spouses under chapter 88, Hawaii Revised Statutes, where the Internal Revenue Code governs the rights of spouses. However, civil union partners would still have the rights provided to spouses under the portions of chapter 88, Hawaii Revised Statutes, that are not restricted by the Internal Revenue Code.

As affirmed by the record of votes of the members 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. 808, 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 (Shimabukuro).

**SCRep. 1012 Judiciary and Labor on H.B. No. 321**

The purpose and intent of this measure is to expand access to voting rights by permitting voter registration on the day of an election, allowing those who register on the day of the election to vote, and establishing procedures to implement voter registration on election day.

Your Committee received testimony in support of this measure from the Office of Elections, American Civil Liberties Union of Hawaii, League of Women Voters of Hawaii, Open Law Alliance, Common Cause Hawaii, Community Alliance on Prisons, Life of the Land, Hawaii Women's Coalition, and sixteen individuals. Comments on this measure were submitted by the Office of the County Clerk, County of Kaua'i; Office of the City Clerk, City and County of Honolulu; Office of the County Clerk, County of Maui; and Office of the County Clerk, County of Hawaii.

Your Committee finds that existing law does not allow a person to vote if that person does not register by the voter registration deadline, which is the thirtieth day prior to an election. The American Civil Liberties Union of Hawaii testified that in 2012, Hawaii had the lowest voter turnout rate in the country, with only sixty-two percent of registered voters casting their ballots, and that election day registration has been shown to increase voter turnout by ten to twelve percent. This measure will assist in increasing voter registration and turnout in Hawaii.

Your Committee notes that under section 11-11, Hawaii Revised Statutes, the county clerks are responsible for voter registration and keeping the general register and precinct lists within their respective counties. Furthermore, section 15-7, Hawaii Revised Statutes, provides that absentee polling places are required to be opened at the office of the respective county clerk no later than ten working days prior to election day and all Saturdays falling within that ten-working-day time period. Your Committee further finds that allowing individuals to register to vote at absentee polling places, rather than at polling places only on election day, will provide a greater opportunity for individuals to register, thereby increasing voter turnout. Moreover, the concerns regarding establishing and implementing a process to designate and train an election official at each polling place during election day under this measure are addressed if voter registration is permitted at absentee polling places at the offices of the county clerks because the county clerks are statutorily responsible for voter registration and will not require additional voter registration training.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents of section 1 and replacing them with language that amends section 15-7, Hawaii Revised Statutes, to allow an individual who is eligible to vote, but has not previously registered, to register to vote by appearing in person at the absentee polling place for the county in which the individual maintains residence; and
- (2) Changing the effective date from January 1, 2100, to July 1, 2050.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 321, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 321, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Shimabukuro).

**SCRep. 1013 Judiciary and Labor on H.B. No. 805**

The purpose and intent of this measure is to amend the Employees' Retirement System laws to comply with Internal Revenue Code requirements and vesting rules in order to maintain the system's status as a tax-qualified retirement plan.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Board of Trustees of the Employees' Retirement System.

Your Committee finds that the Employees' Retirement System (ERS) is a tax-exempt, qualified retirement plan under section 401(a) of the Internal Revenue Code. If the ERS should lose its tax-exempt status, the federal tax consequences would be extremely harmful to its members as contributions received from employee members would no longer have favorable pre-tax treatment and instead would be entirely subject to federal income tax at the time of contribution. In addition, all members would be taxed on the value of their total accrued retirement benefits at the time they vest rather than when they receive their retirement benefits.

In 2009, the ERS submitted a request to the Internal Revenue Service to review and determine whether the language of the plan, comprising the statutes and administrative rules governing the ERS, meets the federal tax qualification requirements applicable to governmental pension plans. On March 21, 2012, the Internal Revenue Service issued a favorable determination letter approving the language of the plan, but the letter was specifically conditioned on the State's adoption of proposed amendments that the Internal Revenue Service reviewed and approved as part of the determination letter process. This measure adopts these proposed statutory amendments to complete the determination letter process and enable the ERS to maintain its tax-exempt status.

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. 805, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 805, 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 (Shimabukuro).

**SCRep. 1014 Judiciary and Labor on H.B. No. 1147**

The purpose and intent of this measure is to enhance the disclosure requirements of Hawaii's campaign finance laws. Specifically, this measure:

- (1) Establishes disclosure requirements for advertisements by:
  - (A) Requiring noncandidate committees that make only independent expenditures to identify certain top contributors in their advertisements, providing an exemption for any noncandidate committee if including a list of top contributors in an advertisement of short duration constitutes a hardship to the noncandidate committee;
  - (B) Providing penalties for violations; and
  - (C) Defining top contributors;
- (2) Clarifies that any person, as defined in section 11-302, Hawaii Revised Statutes, who fails to file or files a substantially defective or deficient campaign spending report is subject to monitoring and penalties including fines;
- (3) Requires the Campaign Spending Commission (Commission) to make all reports filed with the Commission publicly available on the Commission's website in a searchable database;
- (4) Amends the contribution and expenditure reporting requirements for candidates, candidate committees, and noncandidate committees by requiring noncandidate committees making only independent expenditures to certify that no expenditures have been coordinated with a candidate, candidate committee, or any agent of a candidate or candidate committee;
- (5) Clarifies the filing requirements for late contribution and late expenditure reports for candidates, candidate committees, and noncandidate committees;
- (6) Expands the information required to be included in any statement of information filed with the Commission to report electioneering communication expenditures to include the identities of the individuals who authorized the expenditure, candidates supported or opposed by the communication, and certain top contributors;
- (7) Expands the definition of "electioneering communication" to include any advertisement that is published by electronic means; and

- (8) Repeals filing requirements specific to corporations.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Campaign Spending Commission, League of Women Voters of Hawaii, Common Cause Hawaii, Americans for Democratic Action/Hawaii, Open Law Alliance, Community Alliance on Prisons, Life of the Land, and five individuals. Testimony in opposition to this measure was submitted by one individual.

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.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of the Attorney General to:
  - (A) Amend the language of the disclosure requirements relating to a noncandidate committee that has more than three top contributors who may be identified in an additional notice to apply to a noncandidate committee that has more than three top contributors who contributed in equal amounts; and
  - (B) Insert an effective date of November 5, 2014, to avoid amending campaign finance laws partway through an election period and allow the Campaign Spending Commission sufficient time to implement this measure if it becomes law; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1147, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1147, 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 (Shimabukuro).

**SCRep. 1015 (Majority Judiciary and Labor on H.B. No. 1481**

The purpose and intent of this measure is to:

- (1) Establish a public funding program for elections to the State Senate and State House of Representatives, beginning with the 2016 election;
- (2) Exclude candidates for the offices of Governor, Lieutenant Governor, State Senator, and State House of Representatives from access to the existing partial public financing program;
- (3) Require the Campaign Spending Commission to submit a written report of its findings and recommendations, including any proposed legislation, to the Legislature prior to the convening of the Regular Session of 2016 regarding further statutory amendments necessary to facilitate the implementation of the public funding program for State Senate and House of Representatives elections; and
- (4) Appropriate an unspecified amount to be deposited into the Hawaii election campaign fund and expended by the Campaign Spending Commission for fiscal years 2015-2016 and 2016-2017 to prepare for the public funding of candidates in elections taking place in 2016, including staff resources.

Your Committee received testimony in support of this measure from the League of Women Voters of Hawaii; Voter Owned Hawaii; Common Cause Hawaii; Open Law Alliance; Life of the Land; Sierra Club, Hawaii Chapter; and sixty-five individuals. Testimony in opposition to this measure was submitted by one individual. The Campaign Spending Commission and two individuals submitted comments on this measure.

Your Committee finds that the full voluntary public funding of election campaigns allows candidates, including incumbents, to focus on the needs of their districts and the State rather than spending a majority of their time and energy securing adequate funds to cover the costs of their campaigns. This measure will assist in increasing equity in Hawaii's election system by, among other things, establishing a comprehensive system of public financing for elections to the State Senate and State House of Representatives, beginning with the 2016 election.

While your Committee recognizes the merits of a public funding program for elections, it has serious concerns regarding the feasibility of financing such a program. Your Committee notes that language intended to amend the funding formula by distributing public funds to a certified candidate still needs to be developed. Therefore, your Committee anticipates that this language will be proposed to your Committee on Ways and Means, if that committee chooses to schedule this measure. However, your Committee does not intend to give prior concurrence unless the financial and operational feasibility of any proposed financing mechanisms are fully discussed, deliberated, and resolved. Your Committee further notes that this measure applies to the 2016 election and recognizes that this issue may be discussed further next session.

Accordingly, your Committee has amended this measure by:

- (1) Applying the public funding program to candidates for election to the State House of Representatives and deleting references under section 1 to Senate candidates and senatorial districts;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 1481, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1481, 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 (Gabbard). Noes, 1 (Slom). Excused, 1 (Shimabukuro).

**SCRep. 1016 (Joint) Judiciary and Labor and Commerce and Consumer Protection on H.B. No. 634**

The purpose and intent of this measure is to require the retention of employees who would be displaced from an employer by divestiture of a covered establishment employing one hundred or more persons to the successor employer. Specifically, this measure:

- (1) Requires the successor employer to hire all incumbent non-supervisory and non-confidential employees;
- (2) Prohibits the successor employer from requiring the incumbent employees to file employment applications to be considered for hire unless the existing files are incomplete;
- (3) Allows the successor employer to conduct pre-hire screening of the incumbent employees, including criminal conviction records checks and drug screening;
- (4) Allows the successor employer to retain less than one hundred percent of the incumbent employees if:
  - (A) The business of the successor employer is substantially dissimilar to the former employer's business; or
  - (B) The human resource needs of the successor employer are reduced;
 provided that the number of employees to be dislocated is in direct proportion to the reduction in the total human resource needs of the successor employer;
- (5) Adds a definition of "covered establishment";
- (6) Establishes penalties for an employer who is found in violation of this measure; and
- (7) Requires the Director of Labor and Industrial Relations to adopt administrative rules pursuant to chapter 91, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Labor and Industrial Relations; International Longshore and Warehouse Union, Local 142; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and Hawaii State AFL-CIO. Testimony in opposition to this measure was submitted by the Retail Merchants of Hawaii; Hawaii Credit Union League; The Chamber of Commerce of Hawaii; Maui Chamber of Commerce; Tesoro Hawaii, LLC; National Federation of Independent Business Hawaii; and three individuals.

Your Committees find that the divestiture of an establishment, whether via a sale, transfer, merger, bankruptcy, takeover, or transaction, often causes heightened anxiety for the incumbent employees. This measure will provide job security for employees who are displaced during a divestiture of a covered establishment by requiring the successor employer to retain all incumbent non-supervisory and non-confidential employees, subject to certain exceptions. This measure assists in minimizing the disruption that often occurs upon divestiture. Pursuant to this measure, many workers will not be dislocated or face financial uncertainty, customers will see business continue with little disturbance, and the economy will not be impacted by increased unemployment.

Your Committees encourage the Director of Labor and Industrial Relations, in adopting administrative rules to effectuate this measure, to define "substantially dissimilar" and establish criteria to determine whether a successor employer may retain less than one hundred percent of the incumbent employees if the business of the successor employer is substantially dissimilar to the former employer's business.

Your Committees have amended this measure by:

- (1) Clarifying that the pre-hire screening executed in accordance with chapter 329B, Hawaii Revised Statutes, is for substance abuse testing, not drug screening; and
- (2) Inserting an effective date of July 1, 2013.

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. 634, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 634, 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.

Judiciary and Labor

Ayes, 3; Ayes with Reservations (Gabbard, Ihara). Noes, none. Excused, 2 (Shimabukuro, Slom).

Commerce and Consumer Protection

Ayes, 4; Ayes with Reservations (Wakai). Noes, none. Excused, 3 (Solomon, Taniguchi, Slom).

**SCRep. 1017 (Joint) Economic Development, Government Operations and Housing and Higher Education on H.B. No. 560**

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority to develop incentive programs for development projects that incorporate urban gardening.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and one individual.

Your Committees find that this measure will help increase the growth of urban gardens and green buildings in Hawaii. The propagation of urban gardens in Hawaii is desirable because they provide benefits such as recreation, exercise, improved diets, cultural and horticultural education, and beautification of urban core areas.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 560, 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.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

Higher Education  
Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

**SCRep. 1018 (Joint) Energy and Environment and Commerce and Consumer Protection on H.B. No. 1149**

The purpose and intent of this measure is to:

- (1) Require a wind energy facility owner to be responsible for facility decommissioning; and
- (2) Provide evidence of financial security for decommissioning, unless the owner has an existing lease or other agreement that provides for decommissioning.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Commerce and Consumer Affairs, Division of Consumer Advocacy; and thirty-one individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committees find that production of wind energy on a commercial scale frequently requires significant land disturbance and large installations consisting of wind turbines, electrical substations, electrical lines, and other supporting systems. Wind energy facilities, if abandoned or not properly maintained, could pose a hazard to public health, safety, and welfare through mechanical failures, electrical hazards, or the release of hazardous substances. Abandoned or neglected wind energy facilities may also be a blight on the State's natural beauty.

Your Committees further find that other states with large-scale wind energy facilities have developed robust decommissioning regulations for windmills that are abandoned or left in disrepair. Decommissioning regulations help to ensure the health and safety of the public, especially those persons residing near the wind energy facility.

Your Committees have amended this measure by:

- (1) Adding language limiting the applicability of this measure to those wind energy facilities utilizing the renewable energy facility siting process;
- (2) Adding language to specify that county permitting agencies shall not be prevented from including decommissioning requirements as a condition for a building permit;
- (3) Requiring the owner of the land on which a wind energy facility that fails to complete decommissioning within a given time period, rather than the Energy Resources Coordinator, to complete decommissioning of that wind energy facility and making conforming amendments;
- (4) Authorizing a land owner responsible for decommissioning, as described in paragraph (3), to have access to the financial security required by this measure for the decommissioning;
- (5) Amending the effective date from July 1, 2030, to upon approval; 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 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. 1149, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1149, 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.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Ihara).

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 1019 (Joint) Higher Education and Technology and the Arts on H.B. No. 1392**

The purpose and intent of this measure is to appropriate funds to support the 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i.

Your Committees received testimony in support of this measure from the University of Hawai'i West O'ahu and five individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that the Moving Image Archive is the State's official archive for moving images and support the efforts of the Archive to care for, preserve, and digitize film and videotape related to the history and culture of Hawaii.

As affirmed by the records of votes of the members of your Committees on Higher Education and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1392, 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.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Kidani, Tokuda).

Technology and the Arts

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

**SCRep. 1020 (Joint) Technology and the Arts and Judiciary and Labor on H.B. No. 632**

The purpose and intent of this measure is to:

- (1) Require Executive branch departments to make electronic data sets available to the public;
- (2) Require the Chief Information Officer to develop policies and procedures to implement the open data initiative; and
- (3) Appropriate funds to provide staff and other open data coordinators to implement this measure.

Your Committees received testimony in support of this measure from the Office of Information Management and Technology; Office of Information Practices; Hawaii Open Data; Common Cause Hawaii; Internet Society, Hawaii Chapter; Hyperspective Studios, Inc.; League of Women Voters; and fifteen individuals. Your Committees received testimony in opposition to this measure from the Hawaii Bankers Association.

Your Committees find that open data is a top initiative of the Chief Information Officer, as identified in the State of Hawaii Business and Information Technology/Information Resource Management Transformation Plan. Your Committees further find that open data increases public awareness and access to data created by and available from state departments and agencies, while enhancing government transparency and accountability. This measure also stimulates innovation with the development of new analyses or applications based on the unique data provided by the State.

Your Committees have amended this measure by:

- (1) Requiring the Chief Information Officer's determination of whether information should not be disclosed to be based on whether that information is protected from disclosure by law or contract or whether that information is proprietary, rather than on a balance test of the benefits of publicly available data against the need to protect certain types of information;
- (2) Inserting an appropriation amount of \$100,000 to provide open data coordinators to implement this measure and chapter 92F, Hawaii Revised Statutes; 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 Technology and the Arts and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 632, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 632, 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.

Technology and the Arts

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

Judiciary and Labor

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

**SCRep. 1021 Water and Land on H.B. No. 1330**

The purpose and intent of this measure is to make an appropriation for the Division of Conservation and Resources Enforcement of the Department of Land and Natural Resources.

Your Committee received testimony in support of this measure from The Nature Conservancy and four individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources and two individuals. Your Committee received comments on this measure from one individual.

According to testimony of the Department of Land and Natural Resources, in 2009, due to economic decline, the Division of Conservation and Resources Enforcement's general fund budget was reduced from \$1,700,000 to approximately \$500,000, a reduction of about seventy percent. This resulted in the elimination of eighteen positions, reductions in funds for overtime and for current

expenses, and the elimination of funding for equipment and motor vehicle replacements. Seven more positions were abolished in July 2010. As a result, the Division was left with an operating budget of \$540,000 to patrol the lands under the Department's jurisdiction on six islands, which encompasses a geographic area from the top of the mountains to three miles out to sea. This jurisdiction encompasses nearly 1.3 million acres of state lands and 3 million acres of ocean and coastal waters, as well as 750 miles of coastline, and includes:

- (1) State parks, historic sites, forests and forest reserves, aquatic life and its sanctuaries, game management areas, public hunting areas, and natural area reserves; and
- (2) Protection of the public's safety when using natural and cultural resources under the Department's jurisdiction.

Your Committee is aware that in addition to cost-cutting measures, such as mandated furloughs and hiring freezes, a directive was issued to each division within the Department of Land and Natural Resources to reduce total cost differentials (overtime, night differentials, compensatory time, and pay adjustments) by fifty percent from the prior fiscal year.

Your Committee finds that these budgetary measures have had a devastating effect on the operations of the Division of Conservation and Resources Enforcement. Your Committee believes that the restoration of the Division's general fund budget is essential so that the Division can continue to enforce Hawaii's natural and cultural resources laws to the fullest extent possible.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1330, 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 (Ruderman, Shimabukuro).

**SCRep. 1022 Water and Land on H.B. No. 414**

The purpose and intent of this measure is to:

- (1) Establish the Waipio Valley Advisory Commission to advise the Department of Land and Natural Resources on the development of a long-term plan for ensuring the proper stewardship, preservation, and maintenance of Waipio Valley; and
- (2) Make an appropriation for the design and construction of flood damage reduction and stream stabilization in Waipio Valley.

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 Land and Natural Resources and one individual.

Your Committee finds that Waipio Valley, on the island of Hawaii, has unique challenges to managing its water resources and community assets, particularly in balancing the traditional taro farming lifestyle of the valley with the impacts of tourism, and in balancing the natural cycles of the river in a changing environment with the need to protect the homes and farms of the valley.

Your Committee further finds that taro farmers, private landowners, and cultural practitioners have wanted a voice in decision-making for Waipio Valley for many years. They are the source of expertise regarding the valley's history, sacred places, rhythms, and cycles. They have a tremendous commitment to the prudent and wise management of resources, as well as the protection, preservation, and promulgation of the cultural heritage of Waipio Valley.

Your Committee requests the Waipio Valley Advisory Commission to consult with the Directors of the Mauna Kea Soil and Water Conservation District, which is represented on the Commission.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 414, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ruderman, Shimabukuro).

**SCRep. 1023 Water and Land on H.B. No. 1424**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate funds for the Department of Land and Natural Resources, in consultation with the Hawaiian Islands Land Trust, to engage in efforts to acquire the parcel of land located at Lipoa Point.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Save Honolua Coalition, The Strategy Group Inc., Hawaiian Islands Land Trust, ILWU, Aha Moku-Kaanapali, and numerous individuals. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that Lipoa Point-Honolua on the island of Maui is one of the most iconic landmarks in Hawaii. Honolua is rich in marine resources and historical and archaeological sites and is one of the most popular recreational areas for locals and tourists alike, offering some of the best snorkeling and surfing conditions on the island of Maui. Nationally recognized as a marine preserve, it has attracted federal funding and programs for having some of the highest fish assemblage characteristics of all the Hawaiian islands. Additionally, Honolua is considered to have one of the most diverse, unique, and abundant reef formations, providing a habitat for rare coral species.

According to testimony of the Department of Land and Natural Resources, Maui Land and Pineapple Company, Inc., is a willing seller, and the Hawaiian Islands Land Trust is hiring an appraiser to provide a letter of appraisal and eventually a full appraisal of the subject property. Hawaiian Islands Land Trust intends to apply for state grant funding for the due diligence process. The Department is continuing discussions with the Hawaiian Islands Land Trust regarding the acquisition of the subject property, subject to approval of

the Board of Land and Natural Resources and Attorney General in accordance with sections 171-30 and 107-10, Hawaii Revised Statutes, respectively.

Your Committee has amended this measure by:

- (1) Inserting language to require the Department of Land and Natural Resources to ensure to the maximum extent possible that the seller of the land uses the proceeds of the sale to benefit the pension plan of retirees of the Maui Land and Pineapple Company, Inc.; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1424, 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. 1024 Water and Land on H.B. No. 17**

The purpose and intent of this measure is to ensure public lateral access along the shoreline by extending for two years the sunset date of Act 160, Session Laws of Hawaii 2010, to June 30, 2015.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Kailua Neighborhood Board, BIA Hawaii, Hawaii's Thousand Friends, The Chamber of Commerce of Hawaii, and four individuals. Your Committee received testimony in opposition to this measure from the Land Use Research Foundation. Your Committee received comments on this measure from the State Office of Planning and Hawaii Association of REALTORS.

Your Committee finds that some landowners intentionally promote the growth of shoreline vegetation or promote vegetation along makai to mauka beach transit corridors in an attempt to increase the area of their property while decreasing coastal public trust assets.

Act 160, Session Laws of Hawaii 2010 (Act 160), requires that landowners remove human-induced, enhanced, or unmaintained vegetation interfering with such access. Act 160 protects coastal public resource assets and requires the Department of Land and Natural Resources to maintain access within beach transit corridors.

Your Committee has amended this measure by:

- (1) Inserting language to amend sections 171-58.5 and 205-44, Hawaii Revised Statutes, to:
  - (A) Except inadvertent taking of sand, dead coral or coral rubble, rocks, soil, or other marine deposits, such as inadvertent carrying away on the body, through the clothes, toys, recreational equipment, and bags, from the prohibition against removal of those deposits from seaward of the shoreline or from the shoreline area, in place of the one-gallon-per-person-per-day limit; and
  - (B) Except the exercise of traditional cultural practices and the response to a public emergency or a state or local disaster from the prohibition against removal of sand, dead coral or coral rubble, rocks, soil, or other marine deposits;
- (2) Inserting language to clarify, upon the request of the Department of Land and Natural Resources, that Act 160 is not to be construed to modify or alter any agreement of the Department of Land and Natural Resources that was in effect or executed on the effective date of Act 160; 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 and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 17, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 17, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Ruderman, Shimabukuro).

**SCRep. 1025 Water and Land on H.B. No. 1133**

The purpose and intent of this measure is to repeal chapter 171C, Hawaii Revised Statutes, the public land development corporation.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs, The Interfaith Alliance Hawaii, Community Alliance on Prisons, Temple of the Spirit, Kamakani O Kohala Ohana - Kako'o, Ho'okipa Network - Kauai, Tropical Orchid Farm, Inc., KAHEA: The Hawaiian-Environmental Alliance, Americans for Democratic Action/Hawaii, The Outdoor Circle, 'Ai Pohaku- the Stone Eaters, Ohana O Kaua'i, Hawaii's Thousand Friends, Life of the Land, The League of Women Voters of Hawaii, Na Kupuna Moku O Keawe, Ocean Tourism Coalition, UNITE HERE Local 5, Kahea, Sierra Club, Surfrider Foundation, Island Breath, and numerous individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources, The Chamber of Commerce of Hawaii, and BIA-Hawaii.

Act 55, Session Laws of Hawaii 2011 (Act 55), codified as chapter 171C, Hawaii Revised Statutes, created the Public Land Development Corporation. Section 171C-1, Hawaii Revised Statutes, states in pertinent part:

“The purpose of this chapter is to create a vehicle and process to make optimal use of public land for the economic, environmental, and social benefit of the people of Hawaii. This chapter establishes a public corporation to administer an appropriate and culturally-sensitive public land development program. The corporation shall coordinate and administer

programs to make optimal use of public land, while ensuring that the public land is maintained for the people of Hawaii.”

Your Committee finds that Act 55 has engendered significant public concern and scrutiny due in part to the fact that projects undertaken pursuant to Act 55 are exempt from state and county laws regarding land use, zoning, and construction standards for subdivisions, development, and improvement of land. In addition, concerns have been raised regarding inadequate notice given to the public to testify on the exemption provisions. The exemptions, coupled with the manner in which Act 55 was passed, have led to distrust and uncertainty of the corporation’s intentions and development plans. Despite efforts to allay concerns, many individuals and organizations, particularly environmental and Native Hawaiian organizations, have expressed support for legislation to repeal Act 55.

Your Committee further finds that the implementation of Act 55 falls short of “ensuring that the public land is maintained for the people of Hawaii.” The intent of this measure is to ensure that the public lands of Hawaii are used and administered in an equitable and transparent manner that should not necessarily be relegated to administrative decision-making or rule making on an ad hoc basis. While the optimization of the use of public lands is a meritorious goal with the potential to significantly benefit the people of Hawaii, the means of achieving this goal requires a greater respect for existing laws and procedures and greater assurance that the corporation is the vehicle that will produce economic, environmental, and social benefit for the people of Hawaii.

Your Committee further finds that the county councils of Kauai and Maui have adopted resolutions urging the Legislature to abolish the Public Land Development Corporation by repealing chapter 171C, Hawaii Revised Statutes.

Your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 707, S.D. 2, a substantially similar measure that makes the following amendments to H.B. No. 1133, S.D. 1:

- (1) Adds a purpose section;
- (2) Makes a conforming amendment to Act 117, Session Laws of Hawaii 2012;
- (3) Adds transitional provisions relating to funding and personnel;
- (4) Changes the effective date to upon approval; and
- (5) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1133, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1133, 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 (Ruderman, Thielen). Noes, none. Excused, 1 (Shimabukuro).

**SCRep. 1026 (Joint) Higher Education and Economic Development, Government Operations and Housing on H.B. No. 71**

The purpose and intent of this measure is to require the University of Hawaii to extend the current land lease with the High Technology Development Corporation for no less than twenty-five years from the date of expiration of the existing lease.

Your Committees received testimony in support of this measure from the High Technology Development Corporation; Hawaii Strategic Development Corporation; Bill Bass & Associates, LLC; Makai Ocean Engineering, Inc.; Tapiki, LLC; HiBEAM; Hawaii Consortium for Medicine and Health; BizGym.com; Cardex Pharmaceuticals, Inc.; Labels that Talk, Ltd.; Hawaii Venture Capital Association; Hawaii Strategic Development Corporation; Global Optima, Inc.; Startup Capital Ventures; The Tea Chest; Ohana Investment Works, LLC; StartupHui, LLC; HITmethods, Inc.; InMobi; Graphic Creative; Hawai’i Innovation Alliance; Hawaii Aquaculture and Aquaponics Association; Hawai’i Advocates for Consumer Rights; SOS Tech Solutions; and nine individuals. Your Committees received testimony in opposition to this measure from the University of Hawai’i System.

Your Committees find that the High Technology Development Corporation is a state agency that was established in 1983 to facilitate the development and growth of Hawaii’s commercial high technology industry sector.

The High Technology Development Corporation developed the Manoa Innovation Center, the first and only innovation and incubation facility on Oahu that offers an array of client services, facilities, and equipment to assist new and early-stage technology companies. The Manoa Innovation Center has incubated and graduated over one hundred companies, more than eighty percent of which have become technology companies in the private sector.

Your Committees further find that the High Technology Development Corporation’s current land lease with the University of Hawaii expires in 2015.

Your Committees have amended this measure by changing the minimum term of the lease extended between the University of Hawaii and the High Technology Development Corporation from twenty-five years to ten years to allow for further discussion between the parties.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 71, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 71, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Tokuda).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Thielen).

**SCRep. 1027 Technology and the Arts on H.B. No. 494**

The purpose and intent of this measure is to establish a pilot program for the creation of urban art on state-owned property under the direction of the State Foundation on Culture and the Arts.

Your Committee received testimony in support of this measure from the Department of Transportation and State Foundation on Culture and the Arts.

Your Committee finds that providing legitimate, state-owned venues for urban art will enrich the State's communities in many ways, including reducing graffiti by expanding opportunities for appropriate creative social expression. This measure will encourage Hawaii's youth to work on creative and constructive urban art.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 494, 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 (Tokuda).

**SCRep. 1028 Technology and the Arts on H.B. No. 1209**

The purpose and intent of this measure is to:

- (1) Require the legislative broadcast program to make an audio or audiovisual recording of all public hearings and informational briefings held at the State Capitol;
- (2) Require the legislative broadcast program to maintain an archive of the recordings, to be made available to the public; and
- (3) Appropriate funds to be expended by the Legislative Reference Bureau for equipment, materials, and staff necessary to make the recordings of the public hearings and maintain the archive of the recordings.

Your Committee received testimony in support of this measure from Common Cause Hawaii and three individuals. Your Committee received comments on this measure from the Legislative Reference Bureau, Disability and Communication Access Board, and one individual.

Your Committee has amended this measure by inserting an appropriation amount of \$3,000,000 and specifying that the appropriation shall be distributed in two equal shares of \$1,500,000 to the Senate and the House of Representatives.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1209, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1209, 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 (Tokuda).

**SCRep. 1029 Energy and Environment on H.B. No. 1405**

The purpose and intent of this measure is to increase transparency in power purchase contracts for renewable energy by requiring the Public Utilities Commission to include a summary of power purchase agreements, including pricing, in effect during the applicable fiscal year in its annual report to the Governor.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; Life of the Land; Hawaii Alliance; Friends of Lana'i; Blue Planet Foundation; Indigenous Consultants; and sixteen individuals. Your Committee received comments on this measure from the Alternative Energy Committee of the Democratic Party Environmental Caucus and two individuals.

Your Committee finds that transparency in the process of purchasing renewable electricity generated from nonfossil fuel sources serves the interests of independent power producers who compete to sell energy to the energy utilities and the rate-paying public by creating an opportunity for review and oversight of the Public Utilities Commission's decision-making process. Public utilities are highly-regulated industries in the State, meaning the utilities gain no competitive advantage from keeping their costs proprietary, while there is a significant, countervailing public interest in disclosing such costs.

Your Committee has amended this measure by:

- (1) Adding a new part amending section 269-121, Hawaii Revised Statutes, to:
  - (A) Clarify that the public benefits fee shall be used to support clean energy technology, demand response technology, energy use reduction, and demand-side management infrastructure; and
  - (B) Define "clean energy technology" to mean any commercially available technology that enables the State to meet the renewable portfolio standards and energy-efficiency portfolio standards approved by the Public Utilities Commission by rule or order; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1405, H.D. 2, as amended herein, and recommends that it pass

Second Reading in the form attached hereto as H.B. No. 1405, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 1030 Energy and Environment on H.B. No. 813**

The purpose and intent of this measure is to authorize the Public Utilities Commission and the Division of Consumer Advocacy to examine all documents and other information and data deemed necessary for the review of power purchase agreements submitted for review to the Public Utilities Commission and Division of Consumer Advocacy.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs; Public Utilities Commission; Hawaiian Electric Company, Inc.; and Friends of Lana'i. Your Committee received testimony in opposition to this measure from Solar Power Systems International, LLC; Bright Plain Renewable Energy, LLC; AES Solar Power; and First Wind. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that in recent years, the cost to produce solar photovoltaic panels and wind turbines has significantly decreased. On the mainland, power purchase agreement prices for solar and wind projects have declined as production costs decreased and efficiencies increased. However, Hawaii has not seen a similar decrease in power purchase agreement prices for solar and wind projects.

Your Committee further finds that this measure is intended to enable the Public Utilities Commission and Division of Consumer Advocacy to make the best possible decisions on power purchase agreements. However, your Committee has heard the concerns that the language in this measure is too broad and may result in adverse, unintended consequences. Your Committee concludes that an alternative approach to achieve the intent of this measure is recommended.

Accordingly, your Committee has amended this measure by:

- (1) Removing language that would have authorized the Public Utilities Commission and the Division of Consumer Advocacy to examine all documents and other information and data deemed necessary for the review of power purchase agreements submitted for review to the Public Utilities Commission and Division of Consumer Advocacy;
- (2) Inserting language to require the Department of Business, Economic Development, and Tourism to convene the temporary Power Purchase Agreement Task Force to recommend methods to ensure that power purchase agreements, whether bilaterally negotiated or through competitive bid, reflect the fairest possible price for ratepayers;
- (3) Requiring the Power Purchase Agreement Task Force to report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (4) Amending the purpose section for clarity;
- (5) Inserting an effective date of upon approval; 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 H.B. No. 813, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 813, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1031 (Joint) Energy and Environment and Health on H.B. No. 903**

The purpose and intent of this measure is to:

- (1) Improve the State's ability to control and reduce water pollution from nonpoint sources and individual wastewater systems; and
- (2) Require the director of Health to establish by rule fees to fund programs that reduce pollution from nonpoint sources and operating fees for owners of individual wastewater systems.

Your Committees received testimony in support of this measure from the Department of Health; Office of Planning; Department of Land and Natural Resources; University of Hawaii, Environmental Center; Keep the Hawaiian Islands Beautiful; International Coastal Cleanup; Sierra Club; Surfrider Foundation; Sustainable Coastlines; Bear Engineering; and five individuals. Your Committees received testimony in opposition to this measure from Puna Soil and Water Conservation District; Hawaii Crop Improvement Association; General Contractors Association; Hawaii Farm Bureau Federation; Pacific Resource Partnership; Hawaii Cattleman's Council; Maui County Farm Bureau; Hawaii Agricultural Research Center; Building Industry Association – Hawaii; Hawaii Aquaculture and Aquaponics Association; Alexander and Baldwin; Palani Ranch Company; Ulupalakua Ranch; McCandless Ranch; Ponooho Ranch; Big Island Dairy; Ka'ala Ranch; and eight individuals. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that Hawaii's fresh, marine, and ground waters are being harmed by water pollution from many sources, including nonpoint stormwater discharges from agriculture and other lands as well as individual wastewater systems, which are facilities, including cesspools, septic systems, and aerobic treatment units, that are not connected to a sewer. Runoff from agriculture and other lands is polluted with soil, fertilizers, pesticides, and other wastes that harm state waters, coral reefs, and public recreation



with the frequently required “brownwater advisories” that follow heavy rain events. Your Committees find that the reasonable regulation of nonpoint source water pollution is essential to protecting Hawaii’s unique and fragile water resources and attendant ecosystems.

Your Committees have amended this measure by:

- (1) Clarifying its purpose section;
- (2) Excluding agricultural irrigation systems from the mandatory filing of management plan applications pursuant to this measure;
- (3) Specifying that a management plan application does not need to be filed prior to discharging any water pollutant into state waters from an individual wastewater system;
- (4) Removing the authorization for farming operations or landowners with a soil conservation plan or stormwater management plan to submit such plans for review by the Director of Health;
- (5) Removing beyond July 1, 2018, rather than until July 1, 2018; violations of any standards of performance for specific areas and types of discharges in the control of water pollution as grounds for enforcement under this measure;
- (6) Exempting farming operations from fees assessed under this measure;
- (7) Removing the definition of “standard of performance” that would have been inserted in section 342E-1, Hawaii Revised Statutes; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 903, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 903, 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.

Energy and Environment

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Health

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

**SCRep. 1032 (Majority) Public Safety, Intergovernmental and Military Affairs on H.B. No. 52**

The purpose and intent of this measure is to prohibit biased-based policing by the Department of Public Safety, public safety officers, police departments, and police officers.

Your Committee received testimony in support of this measure from the Department of Public Safety; Hawaii Civil Rights Commission; Hawaii State Commission on the Status of Women; Community Alliance on Prisons; American Civil Liberties Union of Hawaii; African American Lawyers Association; Hawaii State Coalition Against Domestic Violence; Hawaii Women’s Coalition; Police Department, City and County of Honolulu; and seven individuals. Your Committee received testimony in opposition to this measure from the Department of the Attorney General and eight individuals.

Your Committee finds that the practice of discrimination based on actual or perceived race, ethnicity, national origin, immigration or citizenship status, sexual orientation, gender identity, or religion has no place in law enforcement. Your Committee further finds that profiling is unjust and counterproductive and causes resentment in the targeted communities. This measure increases civil rights protections by making it a civil rights violation for state and county law enforcement agencies and agents to engage in biased-based profiling.

Your Committee has amended this measure by:

- (1) Deleting language that would have prohibited state and county law enforcement agencies and their officers from detaining an individual based on any noncriminal factor or combination of noncriminal factors, unless pursuant to court order;
- (2) Inserting language to prohibit state and county law enforcement agencies and their officers from engaging in a pattern or practice of conduct that deprives any person of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States or by the Constitution or laws of Hawaii; and
- (3) Inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 52, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 52, H.D. 1, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

**SCRep. 1033 Public Safety, Intergovernmental and Military Affairs on H.B. No. 92**

The purpose and intent of this measure is to:

- (1) Provide that the ballot of an absentee or military-overseas voter is valid even if the voter becomes ineligible to vote after casting the ballot; and
- (2) Repeal section 15-13, Hawaii Revised Statutes, which invalidates the cast ballot of an absentee voter who has died prior to the opening of the polls on election day, under certain conditions.

Your Committee received testimony in support of this measure from the Office of Elections; Ho'ākea Communications; Military Officers Association of America, Hawaii Chapter; and National Association for Uniformed Services, Hawaii Chapter.

Your Committee finds that voters who in good faith cast their ballots while eligible to vote should have their ballots counted even if they become ineligible after casting their ballots. This measure is an important recognition of the selfless service of our deployed military personnel.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, 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 (Green, Slom).

**SCRep. 1034 (Majority) Public Safety, Intergovernmental and Military Affairs on H.B. No. 1314**

The purpose and intent of this measure is to establish a new class of liquor license for distillery pubs and require beer whose labels convey the impression that the beer was produced in Hawaii to indicate otherwise if the beer was not produced in Hawaii.

Your Committee received testimony in support of this measure from Island Distillers, Kauai Island Brewing Company, Big Island Brewhaus LLC, Maui Brewing Company, and one individual. Your Committee received testimony in opposition to this measure from the Kona Brewing Company and Capitol Consultants of Hawaii. Your Committee received comments on this measure from the Hawaii Liquor Wholesalers Association.

Your Committee finds that there is a common practice where beer breweries of Hawaiian origin manufacture beer outside of the State, then label the beer without indicating its actual origin of manufacture. Your Committee further finds that this practice causes confusion, specifically for consumers who value locally made products in order to support local businesses and to ensure quality and freshness. This measure protects manufacturing and jobs in the State.

Your Committee has amended this measure by:

- (1) Deleting the establishment of a new class of liquor license for distillery pubs;
- (2) Inserting the beer labeling requirements as a new section in part V of chapter 486, Hawaii Revised Statutes, relating to Measurement Standards, Uniform Packaging, and Labeling, rather than in chapter 148, Hawaii Revised Statutes;
- (3) Authorizing the Department of Agriculture to request, rather than require, the use of certain language on beer labels to convey the true place of production in cases where the labels tend to create the false impression that the beer was produced in Hawaii or a region of Hawaii;
- (4) Making optional the inclusion of the name of the bottler and the place where the beer was bottled or canned on beer labels bearing any Hawaiian brand name or adjective, Hawaiian word or statement, design, or device, including locations within Hawaii, for beer that is sold or distributed in the State; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1314, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1314, H.D. 1, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

**SCRep. 1035 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1381**

The purpose and intent of this measure is to permit professional and vocational licensing authorities to license military veterans and the spouses of service members by endorsement or reciprocity, provided that the veteran or the nonresident spouse has obtained the equivalent of or exceeded the requirements of the licensing authority and:

- (1) The veteran has been given an honorable discharge or general discharge from active duty within two years of applying for licensure and provides sufficient documentation of discharge; or
- (2) The nonresident spouse is married to a military member in good standing who is stationed in Hawaii for at least one year.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; National Association for Uniformed Services; and Military Officers Association of America, Hawaii Chapter. Your Committee received comments on this measure from Hawaii Dental Association.

Your Committee finds that veterans who leave the military often experience delays in finding post-service employment. Your Committee further finds that individuals frequently accompany their service member spouse on military assignments. This measure simplifies and expedites the employment of trained, educated, and highly qualified veterans and military spouses.

Your Committee has amended this measure by:

- (1) Deleting section 2 and replacing it with language from S.B. No. 506, S.D. 2 (Regular Session of 2013), which clarifies and permanently establishes various requirements for licensure by endorsement and licensure by reciprocity, including expedited consideration of applications thereof, for military veterans; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1381, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1381, H.D. 2, S.D. 1, and be referred to the Committee on Commerce and Consumer Protection.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

**SCRep. 1036 (Joint) Energy and Environment and Economic Development, Government Operations and Housing on H.B. No. 450**

The purpose and intent of this measure is to require the Department of Business, Economic Development, and Tourism to establish five-year hydrogen fueling station demonstration projects in qualifying counties, with a preference for renewable sources of hydrogen.

Your Committees received testimony in support of this measure from Hawaii Energy Policy Forum; Hawaii Automobile Dealers' Association; and one individual. Your Committees received testimony in opposition to this measure from three individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Maui County Mayor's Office; and High Technology Development Corporation.

Your Committees find that the mass production of hydrogen fuel cell automobiles is likely to begin as early as 2015. The largest obstacle to the success of hydrogen fuel cell vehicles is presently the lack of fueling stations. Your Committees find that the establishment of hydrogen fueling station demonstration projects promote the State's interest in developing renewable sources of energy and reducing the State's dependence on foreign oil.

Your Committees have amended this measure by:

- (1) Inserting an appropriation amount of \$3,500,000; and
- (2) Changing the effective date to July 1, 2050.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 450, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 450, 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.

Energy and Environment  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Ihara).

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (Chun Oakland).

**SCRep. 1037 Economic Development, Government Operations and Housing on H.B. No. 799**

The purpose and intent of this measure is to strengthen the film, television, and media industry in Hawaii by:

- (1) Providing wage reimbursements to qualified entities who hire new employees who participate in an on-the-job workforce development training program;
- (2) Amending the definitions of "digital media," "qualified production," and "qualified production costs" for purposes of the motion picture, digital media, and film production tax credit;
- (3) Extending the sunset date of the motion picture, digital media, and film production tax credit from 2016 to 2023; and
- (4) Appropriating funds for the workforce development training program.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hyperspective Studios, Inc.; ILWU, Local 142; and two individuals. Your Committee received testimony in opposition to this measure from the Tax Foundation of Hawaii. Your Committee received comments on this measure from the Department of Taxation.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amends the measure by removing its contents and replacing them with language:

- (1) Establishing a media infrastructure project tax credit for qualified projects in West Oahu or on the most populous island in a county with a population between 100,000 and 175,000;
- (2) Requiring reporting of information by the eligible taxpayers who claim the tax credit;
- (3) Making provisions for the recapture of the tax credit in certain circumstances; and
- (4) Requiring cost benefit analyses and annual reporting by the Department of Taxation to the Legislature.

Your Committee received testimony in support of the proposed S.D. 1 from the ILWU, Local 142. Your Committee received testimony in opposition to the proposed S.D. 1 from the Tax Foundation of Hawaii. Your Committee received comments on the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Department of Labor and Industrial Relations; and Department of Taxation.

Your Committee finds that the film, television, and digital media industry in Hawaii can and should be strengthened. This measure will strengthen the industry by developing and expanding a locally trained industry workforce. Similar measures have proved successful in other states. Your Committee also finds that the motion picture, digital media, and film production tax credit has been successful in strengthening the industry and believes the tax credit should be extended for an additional period of five years.

Although your Committee considered an alternate method of strengthening the industry in the proposed S.D. 1, it ultimately decided to adopt the original measure as received by your Committee with the following amendments:

- (1) Inserting language clarifying the requirements for the guaranteed hiring of employees who receive on-the-job training; 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, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 799, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 799, H.D. 3, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Thielen, Wakai).

**SCRep. 1038 Economic Development, Government Operations and Housing on H.B. No. 1374**

The purpose and intent of this measure is to reform the state procurement process by:

- (1) Making a contractor's past performance on similar public agency projects a factor in the bid selection of contractors; and
- (2) Requiring bidders to submit information and assessments of their prior work on similar public agency projects.

Your Committee received testimony in support of this measure from the Department of Education, BIA-Hawaii, The Chamber of Commerce of Hawaii, Hawaii Regional Council of Carpenters, and Pacific Resource Partnership. Your Committee received testimony in opposition to this measure from the Department of Accounting and General Services, Department of Transportation, and State Procurement Office. Your Committee received comments on this measure from the General Contractors Association of Hawaii.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amends the measure by removing its contents and inserting language prohibiting certain persons from serving as a chief procurement officer, and amending the designation of the chief procurement officer for the following state and county agencies:

- (1) Office of Hawaiian Affairs;
- (2) University of Hawaii;
- (3) Department of Education;
- (4) Hawaii Health Systems Corporation;
- (5) The Honolulu, Kauai, and Maui Boards or Departments of water supply;
- (6) The Hawaii Board of Water Supply; and
- (7) The semi-autonomous public transit agency.

Your Committee received testimony in support of the proposed S.D. 1 from the University of Hawaii, Hawaii Regional Council of Carpenters, and Pacific Resource Partnership. Your Committee received testimony in opposition to the proposed S.D. 1 from the Department of Education and the City and County of Honolulu Board of Water Supply. Your Committee received comments on the proposed S.D. 1 from the Department of Transportation, State Procurement Office, and one individual.

Upon further consideration of the original measure as received by your Committee and the proposed S.D. 1, and testimony submitted for both measures, your Committee prefers the contents of the original measure, as it finds that there is a dire need to reform the procurement process in Hawaii and ensure that taxpayer dollars are not wasted. Your Committee received testimony that some construction contractors with a history of delay, cost overruns, and violations on public projects continue to be able to secure work on public projects because too much attention is paid to finding the lowest bidder. This results in wasted taxpayer dollars, as delays or remediation work increase the final cost of the project. By requiring consideration of a contractor's past performance on similar projects in the bid selection process, this measure will help ensure that public projects are completed to specification, in a timely manner, and without cost overruns.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1374, 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 (Chun Oakland, Thielen).

**SCRep. 1039 (Joint) Water and Land and Economic Development, Government Operations and Housing on H.B. No. 1328**

The purpose and intent of this Act is to grant the Kaho'olawe Island Reserve Commission a permanent exemption from chapter 103D, Hawaii Revised Statutes, for the procurement of food or fuel products necessary for the Commission to carry out the purposes of chapter 6K, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from Kohe Malamalama O Kanaloa Protect Kaho'olawe Fund, Protect Kaho'olawe 'Ohana, and three individuals.

Act 159, Session Laws of Hawaii 2010, provided a temporary procurement exemption to the Commission that sunsets on July 1, 2013. Your Committees find that the uniqueness of the Commission's work necessitates a procurement exemption. For example, personnel and cargo are typically transported between Maui and Kaho'olawe by boat, and helicopter transportation is used only sparingly due to its high cost. Both methods of transportation involve several variables, including the weather, mechanical functions, and personnel availability. Additionally, both methods of transportation have size and weight limitations for their cargo. The Commission's requirements for fuel products are also unique in the State, as the Commission takes delivery of and transports its own fuel supplies in multiple forms, such as bulk and barrel, which are not currently provided by the state-contracted fuel provider. Furthermore, food vendor prices change weekly, if not more frequently, and the Commission's food orders change weekly in terms of products and quantities ordered.

Purchasing flexibility under the current temporary exemption has allowed the Commission to make the most cost-effective and healthiest selections of local produce when available. Testimony of the Commission indicates that it has been able to reduce waste by purchasing smaller quantities on sale or at reduced prices, whereas purchasing from the state price list would entail larger bulk orders tailored for much larger institutions and operations.

Your Committees have amended this measure by changing the effective date to June 30, 2013.

As affirmed by the records of votes of the members of your Committees on Water and Land and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1328, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1328, 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.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ruderman, Slom).

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Wakai, Slom).

**SCRep. 1040 (Joint) Water and Land and Technology and the Arts on H.B. No. 1227**

The purpose and intent of this measure is to appropriate funds to the Department of Land and Natural Resources to complete planned phase I and phase II of the Iolani Palace grounds master plan.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Department of Accounting and General Services, The Friends of Iolani Palace, and The Outdoor Circle.

Your Committees find that Iolani Palace is the only royal palace in the United States in which a reigning monarch lived, and is an icon of the State. Iolani Palace should be one of the State's most protected historical sites due to its importance to the people of Hawaii. The Palace is also a reminder of the Kingdom of Hawaii; it was constructed in 1879, making it one of the State's oldest buildings.

The Friends of Iolani Palace have long planned to restore the Iolani Palace grounds to the condition in which they existed in 1892, including through the removal of parking meters and restoring landscaping and other exterior features, in accordance with a three-phase master plan.

Your Committees have amended this measure by:

- (1) Amending the phase I appropriation language to make it an appropriation of \$225,000 for staff and supplies for maintenance of landscaped areas of Iolani Palace grounds, to be expended by the Department of Accounting and General Services;
- (2) Deleting the appropriation for initiation and completion of phase II of the Iolani Palace grounds master plan, since the testimony of the Department of Accounting and General Services indicated that the work on phase II is anticipated to be funded as a capital improvement project; 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 and Land and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1227, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1227, 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.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ruderman).

Technology and the Arts

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

**SCRep. 1041 (Joint) Technology and the Arts and Water and Land on H.B. No. 1396**

The purpose and intent of this measure is to appropriate funds for the planning, design, and construction of the Nisei Veterans Legacy Center and Honouliuli Internment Camp Educational Center, subject to the receipt of matching funds.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Budget and Finance; University of Hawaii, West Oahu; Hawaii Civil Rights Commission; Japanese Cultural Center of Hawaii; Japanese American Citizens League, Honolulu Chapter; 422nd Veterans Club; and forty individuals.

Your Committees find that the Nisei Veterans Legacy Center and Honouliuli Internment Camp Education Center will preserve and perpetuate the legacy of Americans of Japanese ancestry who served during or lived through World War II. This measure provides research and educational programs, as well as onsite educational tours for high school students and members of the community.

Your Committees have amended this measure by:

- (1) Separating the appropriations for the Nisei Veterans Legacy Center and Honouliuli Internment Camp Educational Center;
- (2) Designating the University of Hawaii at West Oahu, rather than the Department of Land and Natural Resources, as the expending agency for the planning, design, and construction of the Nisei Veterans Legacy Center;
- (3) Amending the appropriation for the Honouliuli Internment Camp Educational Center to be an appropriation for the continuation of the work of the Honouliuli Park Site Project Advisory Group;
- (4) Requiring the University of Hawaii at West Oahu and Honouliuli Park Site Project Advisory Group to report to the Legislature 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 Technology and the Arts and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1396, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1396, 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.

Technology and the Arts

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

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ruderman).

**SCRep. 1042 (Joint) Higher Education and Economic Development, Government Operations and Housing on H.B. No. 114**

The purpose and intent of this measure is to:

- (1) Require the Administrator of the State Procurement Office, rather than the President of the University of Hawaii System, to serve as the chief procurement officer for the University of Hawaii for construction contracts and professional services related to construction contracts; and
- (2) Establish the Independent Audit Committee within the Board of Regents of the University of Hawaii.

Your Committees received testimony in opposition to this measure from the University of Hawai'i System. Your Committees received comments on this measure from the State Procurement Office and the University of Hawaii Office of Internal Audit.

Your Committees find that there are concerns with oversight of the University of Hawaii's construction projects under its current chief procurement officer, the University President. In 2010, when the University of Hawaii was provided an exemption from certain parts of the procurement code, construction projects went from a design-bid method to a design-assist method. With that change came the opportunity to allow individuals to choose which firms would be part of the design teams. Your Committees believe this process led to the appearance that certain companies may have received favorable selection.

Your Committees further find that there are concerns about the Board of Regents' role in the oversight, accountability, and transparency of the University of Hawaii's fiscal and operational administration, including enterprise risk management. This measure will assist the Board of Regents in discharging its constitutional duties to ensure the responsible use of fiscal resources by the University through the establishment of an Independent Audit Committee within the Board of Regents.

Your Committees have amended this measure by:

- (1) Deleting language requiring the Administrator of the State Procurement Office, rather than the President of the University of Hawaii System, to serve as chief procurement officer for the University of Hawaii for construction contracts and professional services related to construction contracts;
- (2) Deleting language removing the Board of Regents' authority to develop internal policies and procedures for the procurement of contracts for construction and professional services furnished by licensees under chapter 464, Hawaii Revised Statutes;
- (3) Adding language requiring that until July 1, 2015, all procurements of the University of Hawaii for construction, including consultant services necessary for construction, shall be subject to the control of, and be performed by, the Department of Accounting and General Services on behalf of the University, subject to certain limitations;

- (4) Removing language exempting the Independent Audit Committee of the Board of Regents from chapter 91, Hawaii Revised Statutes, and part I of chapter 92, Hawaii Revised Statutes;
- (5) Adding language requiring the Administrator of the State Procurement Office to report to the Legislature findings or recommendations, including any proposed legislation, relating to the transparency, efficiency, and compliance of the University of Hawaii for procurement of construction contracts and construction-related consultant services contracts pursuant to chapter 103D, Hawaii Revised Statutes, and improvement, if any, in adhering to the requirements of paragraph (3); 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 Higher Education and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 114, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 114, 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.

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Tokuda).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (Chun Oakland, Thielen).

**SCRep. 1043      Judiciary and Labor on H.B. No. 197**

The purpose of this measure is to appropriate funds for the operating and capital improvement costs of the Judiciary for the fiscal biennium beginning July 1, 2013, and ending June 30, 2015.

Your Committee received testimony in support of this measure from the Judiciary, Mayor of the County of Hawaii, Office of the Prosecuting Attorney for the County of Hawaii, Crime Victim Compensation Commission, Hawaii State Bar Association, Hawaii Justice Foundation, Child & Family Service, Legal Aid Society of Hawaii, Zonta Club of Hilo, Hawaii Women's Coalition, Hawaii Disability Rights Center, Hawaii Access to Justice Commission, Hawaii State Coalition Against Domestic Violence, and several concerned individuals.

Your Committee received comments on this measure from the Domestic Violence Action Center.

Your Committee finds that this measure comprises the Judiciary's budget request for program appropriations and capital improvement projects to satisfy requirements set by law, improve public services, and address the needs of employees and clients of the Judiciary.

Your Committee has amended this measure by:

- (1) Increasing the program appropriation amounts for Courts of Appeal (JUD 101) to \$6,155,459 for each fiscal year;
- (2) For the First Judicial Circuit (JUD 310):
  - (A) Increasing the number of job positions to 1066.50 for each fiscal year, including a social worker IV position; and
  - (B) Increasing the program appropriation amounts to \$75,213,242 for fiscal year 2013-2014 and \$76,298,617 for fiscal year 2014-2015;
- (3) For the Second Judicial Circuit (JUD 320):
  - (A) Increasing the number of job positions to 209.00 for each fiscal year; and
  - (B) Increasing the program appropriation amounts to \$15,174,610 for fiscal year 2013-2014 and \$15,161,244 for fiscal year 2014-2015;
- (4) For the Third Judicial Circuit (JUD 330):
  - (A) Increasing the number of job positions to 228.00 for each fiscal year; and
  - (B) Increasing the program appropriation amounts to \$18,014,284 for each fiscal year;
- (5) Decreasing the program appropriation amounts for the Fifth Judicial Circuit (JUD 350) to \$6,894,905 for each fiscal year;
- (6) Decreasing the program appropriation amounts for the Judicial Selection Commission (JUD 501) to \$88,857 for each fiscal year;
- (7) For Administration (JUD 601):
  - (A) Increasing the number of job positions to 227.00 for each fiscal year;
  - (B) Changing the program appropriation amounts to \$23,298,416 for fiscal year 2013-2014 and \$23,282,956 for fiscal year 2014-2015; and
  - (C) Providing that of the program appropriation amounts:
    - (i) \$75,000 shall be expended in each fiscal year for one deputy public defender position for the veterans treatment court; and

- (ii) \$150,000 shall be expended in each fiscal year for two deputy prosecuting attorney positions for the veterans treatment court; and
- (8) Amending the capital improvement project appropriations as follows:
  - (A) Changing the total capital improvement project appropriation to \$45,500,000 for fiscal year 2013-2014 and \$44,500,000 for fiscal year 2014-2015;
  - (B) Deleting the following projects from the measure:
    - (i) Plans for a status offender shelter and juvenile services center on Oahu; and
    - (ii) Design and construction for exterior remedial improvements and exhaust monitoring and ventilation systems upgrade at Hoapili Hale on Maui; and
  - (C) Inserting appropriations for the following projects:
    - (i) New judiciary complex in Kona: \$1,000,000 for design and \$44,500,000 for construction in fiscal year 2013-2014 and \$44,500,000 for construction in fiscal year 2014-2015; and
    - (ii) New correctional facility adjacent to the new Kona judiciary complex: unspecified appropriation amounts in fiscal years 2013-2014 and 2014-2015.

As affirmed by the record of votes of the members 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. 197, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 197, 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 (Shimabukuro).

**SCRep. 1044 (Joint) Energy and Environment and Water and Land on H.B. No. 988**

The purpose and intent of this measure is to increase the environmental response, energy, and food security tax to support the operations of an environmental disaster standby and response facility to respond to oil and fuel-related disasters affecting native wildlife in the State.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Hawaii Wildlife Center, Friends of Midway Atoll National Wildlife Refuge, Friends of Hakalau Forest National Wildlife Refuge, Surety Kohala Corporation, Umemoto Cassandro Design, Rhoady Lee Architecture and Design, and twenty individuals. Your Committees received comments on this measure from the Department of Taxation, Department of Budget and Finance, Department of Land and Natural Resources, Tax Foundation of Hawaii, and one individual.

Your Committees find that Hawaii has the largest concentration of endangered and threatened species in the world, a majority of which are birds. Of more than one hundred types of endemic Hawaiian birds, more than two-thirds are already extinct, and over eighty percent of those that remain are threatened with extinction. Your Committees also find that there are more than 14,000,000 seabirds that rely on habitats in the Hawaiian archipelago.

Your Committees find that a purpose-built and operational oiled-wildlife response facility is the standard set for highly successful emergency responses, as it provides efficient, state-of-the-art wildlife care, provides control of animal and hazardous waste handling and tracking, and ensures the safety of everyone working with oiled wildlife.

Your Committees find that the environmental response revolving fund would be a more appropriate source of funding to support the operations of the environmental disaster standby and response facility.

Your Committees have amended this measure by:

- (1) Removing sections 2 through 4 of the measure regarding the establishment of the wildlife recovery and rehabilitation special fund and amendment of related sections of the Hawaii Revised Statutes addressing the environmental response, energy, and food security tax;
- (2) Inserting language to amend section 128D-2, Hawaii Revised Statutes, to add, as an authorized use of the environmental response, energy, and food security tax revenues deposited into the environmental response revolving fund, support for the operations of an environmental disaster standby and response facility in the State that shall be responsible for the recovery and rehabilitation of native wildlife that are sickened, injured, or contaminated as a result of an oil or fuel-related disaster in the State;
- (3) Amending the purpose section for consistency;
- (4) Changing the effective date to July 1, 2013; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 988, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 988, 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.

Energy and Environment



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

Water and Land

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

**SCRep. 1045 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on H.B. No. 90**

The purpose and intent of this measure is to establish a temporary emergency response vehicle noise task force to determine:

- (1) The impact of the use of emergency response vehicle sirens in terms of noise and whether the use of sirens enhances the safety of first responders and the public when an emergency response vehicle responds to a call in the State; and
- (2) The relative effectiveness of the use of emergency response vehicle lights instead of the use of sirens at night when an emergency response vehicle responds to a call in the State.

Your Committees received testimony in support of this measure from Downtown Neighborhood Board No. 13 and two individuals. Your Committees received testimony in opposition to this measure from the Department of Health, City and County of Honolulu Police Department, The Queen's Health Systems, and one individual. Your Committees received comments on this measure from the State Fire Council, Kauai Fire Department, Maui Department of Public Safety, and one individual.

Your Committees find that emergency response vehicles routinely use sirens and lights in tandem when responding to emergency calls at night. Because a number of first responder stations are located in dense urban areas, the response sirens disturb residents of these neighborhoods. Your Committees find it necessary to establish a permanent emergency response vehicle noise task force to:

- (1) Evaluate the noise impacts of the use of sirens at night;
- (2) Evaluate the effectiveness of emergency responders' use of emergency lights without sirens compared to the use of lights and sirens in combination; and
- (3) Recommend rules on the appropriate use of lights and sirens by emergency response vehicles.

Your Committees have amended this measure by:

- (1) Clarifying its purpose;
- (2) Making the task force permanent;
- (3) Clarifying the purview and duties of the task force;
- (4) Changing the composition of the task force to include a more representative cross-section of stakeholders;
- (5) Requiring the task force to meet biannually, starting in 2013; 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 Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 90, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 90, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Public Safety, Intergovernmental and Military Affairs

Ayes, 4; Ayes with Reservations (Baker, Espero). Noes, none. Excused, 1 (Green).

**SCRep. 1046 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on H.B. No. 1419**

The purpose and intent of this measure is to make an appropriation to the Pacific International Space Center for Exploration Systems (PISCES).

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; University of Hawaii at Hilo; Land Use Research Foundation; and twenty individuals.

Your Committees find that PISCES is planning to develop a world-class space center in Hawaii that can facilitate the design, testing, and validation of new technologies that support robotic and human missions to space. This measure supports an economic driver for the island of Hawaii that will promote the establishment and growth of new sustainable and green industries along with associated jobs, workforce development, internships, and science, technology, engineering, and math education programs.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1419, 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.

Public Safety, Intergovernmental and Military Affairs

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

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, Thielen, Wakai).

**SCRep. 1047 Ways and Means on Gov. Msg. No. 667**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 1ST TAXATION DISTRICT

G.M. No. 667 CURTIS SAIKI, for a term to expire 6-30-2017

Your Committee has reviewed the qualifications of the nominee and finds that the nominee is qualified to serve on the Board of Taxation Review, 1st Taxation District.

Your Committee received testimony in support of Curtis Saiki from the Department of Taxation.

Currently, the nominee serves as the Chairperson of the Board of Taxation Review, First Taxation District. He has served as Vice-President of the Wealth Planning Department of First Hawaiian Bank since 2008. Curtis Saiki has previously been of counsel with Cades Schutte, LLP, a senior attorney at Kobayashi, Sugita, and Goda, and a tax consultant at Price Waterhouse Coopers.

Mr. Saiki received his Bachelors of Science in accounting from Oregon State University, a Juris Doctor from the University of Oregon Law School, and Master of Laws in taxation from the University of Washington Law School.

Mr. Saiki is licensed to practice law in Hawaii and in Washington State and is a member each state's bar association. Among his numerous community activities, he has served as a Certified Public Accountant Review Course instructor, Chairman of the Taxation Section and the Probate and Estate Planning Section of the Hawaii State Bar Association, member of the Advisory Board of the Hawaii Tax Institute, and the Board of Directors for the Hawaii State Financial Services, LLC. Mr. Saiki has also authored numerous publications regarding Hawaii estate tax planning and other tax related issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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, none.

**SCRep. 1048 Ways and Means on Gov. Msg. No. 702**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF TAXATION REVIEW, 4TH TAXATION DISTRICT (KAUAI)

G.M. No. 702 JOSE DIOGO, for a term to expire 6-30-2017

Your Committee has reviewed the resume and qualifications of the nominee and finds that the nominee is qualified to serve on the Board of Taxation Review, Fourth Taxation District (Kauai).

Your Committee received testimony in support of Jose Diogo from the Department of Taxation.

The nominee currently serves as the Chairman of the Board of Taxation, Fourth Taxation District and is nominated for a second term.

Jose Diogo is the owner and president of Diogo Appraisal Services, Inc., and has been a state licensed appraiser from October 1991 to December 2009, and a state certified appraiser since January 2008. Mr. Diogo is a member of the Appraisal Institute and served as a member of the County of Kauai Building Review Board from January 2004 to December 2009. He has been a member of the County of Kauai Board of Review since March 2011.

In addition to his professional experience, Jose Diogo has also been involved in the Kauai community, including as a soccer coach for the American Youth Soccer Organization for the under eight boys division and an assistant basketball coach.

As 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, none.

**SCRep. 1049 Ways and Means on H.B. No. 430**

The purpose and intent of this measure is to exempt charitable deductions from the temporary limit on the amount of itemized tax deductions claimable by certain taxpayers.

Your Committee received testimony in support of this measure from the Office of the Governor; Department of Taxation; University of Hawaii Foundation; ABC Stores; Aloha United Way; American Heart Association; The Arc of Kona; Catholic Charities Hawaii; Child & Family Service; Goodwill Industries of Hawaii, Inc.; Hawaii Arts Alliance; Hawaii Association of Independent Schools; Hawaii Community Foundation; Hawaiian Humane Society; Hawaii Substance Abuse Coalition; Ku Aloha Ola Mau; Lanakila Pacific; Maui Economic Development Board; Papakolea Community Development Corporation; PBS Hawaii; The Nature Conservancy of Hawaii; and numerous individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Act 97, Session Laws of Hawaii 2011, established temporary cap amounts on itemized deductions for state income tax purposes. Your Committee finds that these cap amounts have resulted in a disincentive for taxpayers to contribute to charitable organizations and caused a significant reduction in funding for charitable organizations throughout the State. Your Committee believes that, by exempting charitable contributions from the cap amounts on itemized deductions, this measure will aid in restoring the incentive for taxpayers to make contributions to charitable organizations.

Your Committee has amended this measure by:

- (1) Clarifying the language used to exempt charitable contributions from the temporary cap amounts; 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 H.B. No. 430, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 430, 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. Noes, none. Excused, none.

**SCRep. 1050      Judiciary and Labor on H.B. No. 31**

The purpose and intent of this measure is to:

- (1) Add under the offense of disorderly conduct under section 711-1101, Hawaii Revised Statutes, the act of impeding or obstructing bus stop use or access by laying on a bus stop bench or across more than two seats, or sleeping on the ground within or abutting a bus stop, with the intent to alarm or cause physical inconvenience to the public; and
- (2) Establish that engaging in disorderly conduct at a bus stop for at least sixty minutes is prima facie evidence of recklessly creating a risk of physical inconvenience to a member or members of the public.

Your Committee received testimony in support of this measure from the Department of Transportation Services, City and County of Honolulu; and Downtown Neighborhood Board No. 13. Testimony in opposition to this measure was submitted by the Office of the Public Defender and one individual.

Your Committee finds that individuals who impede or obstruct bus stops create a potential hazard for disabled bus patrons and interfere with the loading and unloading of bus passengers. This type of conduct can be unpleasant or even intimidating to residents and visitors who travel by bus. This measure recognizes the physical inconvenience that this type of conduct causes and provides law enforcement officers further mechanisms of enforcement to remove an individual engaging in such conduct from bus stop areas.

Your Committee recognizes the concerns raised in the written testimony submitted by the Office of the Public Defender that the act of sleeping at or near a bus stop is not conduct or behavior that is inherently bad or unacceptable. The Office testified that under section 711-1101, Hawaii Revised Statutes, the offense of disorderly conduct involves the act of bad conduct or behavior that includes fighting, threatening, violent or tumultuous behavior, unreasonable noise, offensively coarse behavior, or abusive language, to name a few actions. The act of sleeping at or impeding access to a bus stop does not appear to align with the types of disorderly conduct specified under section 711-1101, Hawaii Revised Statutes.

Furthermore, the Office of the Public Defender raised concerns that this measure would be criminalizing homelessness, as a person sleeping at a bus stop may have refused accommodations at a shelter and may have chosen to remain on the street for various reasons. While your Committee recognizes the problems that individuals who impede access to or sleep at bus stops cause, homelessness is not and should not be a crime.

Furthermore, your Committee notes that section 711-1101(3), Hawaii Revised Statutes, establishes that disorderly conduct is a petty misdemeanor if it is the defendant's intention to cause substantial harm or serious inconvenience, or if the defendant persists in disorderly conduct after reasonable warning or request to desist; otherwise, disorderly conduct is a violation. Your Committee further finds that this subsection applies to the act of impeding access to or sleeping at a bus stop.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that makes it an offense of disorderly conduct to impede or obstruct bus stop use or access by laying on a bus stop bench or sleeping on the ground within or abutting a stop;
- (2) Deleting language which establishes that engaging in disorderly conduct at a bus stop for at least sixty minutes is prima facie evidence of recklessly creating a risk of physical inconvenience;
- (3) Inserting an effective date of 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. 31, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 31, 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). Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 1051      Commerce and Consumer Protection on H.B. No. 815**

The purpose and intent of this measure is to:

- (1) Direct the Public Utilities Commission and the Division of Consumer Advocacy to consider the ownership structure and interests of an electric cooperative in determining appropriate regulations; and
- (2) Authorize the Public Utilities Commission to waive or exempt an electric cooperative from certain regulations.

Your Committee received testimony in support of this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, Public Utilities Commission, Kaua'i Island Utility Cooperative, and seven individuals. Your Committee received testimony in opposition to this measure from Konohiki Hydro Power, Blue Planet Foundation, Hawaii Solar Energy Association, and one individual. Your Committee received comments on this measure from two individuals.

Your Committee finds that chapter 269, Hawaii Revised Statutes, is structured to provide regulatory oversight of investor-owned electric utilities. Although electric utility cooperatives are member-owned and operate on a not-for-profit basis, existing law does not provide any exceptions for these cooperatives.

Your Committee further finds that the intent of this measure and its companion, S.B. No. 1045, S.D. 1, which was previously passed by the Senate, is to ensure that the regulation of electric cooperatives in Hawaii is done in a way that is most efficient, while also providing adequate safeguards for affected ratepayers within the bounds of the Public Utilities Commission's existing regulatory authority. Your Committee also finds that this measure and S.B. No. 1045, S.D. 1, do not give an electric cooperative or the Public Utilities Commission unfettered discretion to grant a waiver or exemption. Any waiver or exemption would go through a formal proceeding before the Public Utilities Commission and would include the Consumer Advocate as a party.

However, your Committee notes that this measure does not permit an electric cooperative to request a waiver or exemption from any provision in chapter 269, Hawaii Revised Statutes. Most of the regulatory requirements that are imposed on electric utilities and electric cooperatives and which give the Public Utilities Commission its regulatory authority are found in chapter 269, Hawaii Revised Statutes. Furthermore, your Committee is concerned that this measure makes the scope of the Public Utilities Commission's ability to review and issue waivers or exemptions unclear and potentially overly broad.

In comparison, your Committee finds that S.B. No. 1045, S.D. 1, contains language that permits the Public Utilities Commission to waive or exempt an electric cooperative from any or all requirements of chapter 269, Hawaii Revised Statutes, or other applicable franchises, charters, decisions, orders, rules, or any other laws. S.B. No. 1045, S.D. 1, is therefore preferable because it provides the necessary exemptions for electric utility cooperatives, while also providing adequate protection to the cooperative's members/owners.

Accordingly, your Committee has amended this measure by deleting its contents and replacing them with the contents of S.B. No. 1045, S.D. 1, a substantively similar measure which:

- (1) Directs the Public Utilities Commission and the Division of Consumer Advocacy to specifically consider the ownership structure and interests of an electric cooperative; and
- (2) Authorizes the Public Utilities Commission to waive or exempt an electric cooperative operating in the State from compliance with the provisions of chapter 269, Hawaii Revised Statutes, as well as any other applicable charters, franchises, rules, decisions, orders, or any other laws.

As affirmed by the record of votes of the members of 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. 815, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 815, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1052 Commerce and Consumer Protection on H.B. No. 999**

The purpose and intent of this measure is to clarify when a Hawaii risk retention captive insurance company would qualify for credit for reinsurance on risks ceded to a reinsurer.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Willis Management (Hawaii), Hawaii Captive Insurance Council, and Artex Risk Solution, Inc.

Your Committee finds that under existing state law, a risk retention captive insurance company may take credit for reserves on risks ceded to a reinsurer; provided that the reinsurer complies with the credit for reinsurance requirements under article 4A, chapter 431, Hawaii Revised Statutes.

Your Committee further finds that this measure sets forth parameters under which risk retention groups licensed as captive insurers may take credit for reinsurance ceded to reinsurers consistent with the National Association of Insurance Commissioners' Reinsurance Guidelines for Risk Retention Groups Licensed as Captive Insurers. Adoption of these guidelines will ensure that Hawaii remains competitive as a domicile for risk retention groups licensed as captive insurance companies.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 999, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Taniguchi).

**SCRep. 1053 (Majority) Commerce and Consumer Protection on H.B. No. 848**

The purpose and intent of this measure is to:

- (1) Amend the definition of "small employer" in the Insurance Code for consistency with federal laws; and
- (2) Apply licensing requirements for insurance producers to health maintenance organizations and mutual benefit societies.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs and Hawaii Medical Service Association. Your Committee received testimony in opposition to this measure from the Hawai'i Primary Care Association and UHA Health Insurance. Your Committee received comments on this measure from the Hawai'i Health Connector Board of Directors.

Your Committee finds that the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) requires each state to define the size of a "small business" as one that includes either one to fifty employees or one to one hundred employees. The default definition for "small business" under the Affordable Care Act is one hundred or fewer employees. States are allowed to opt out of the federal definition of "small business" until January 1, 2016, when the default definition becomes nondiscretionary.

Your Committee further finds that small employers will be able to buy health insurance from the Hawaii health insurance exchange, known as the Hawaii Health Connector, starting in 2014. This measure reaffirms the current definition of "small employer" in the Hawaii Revised Statutes as an employer who employs between one and fifty employees. This will allow small employers an opportunity to adjust to requirements of the Affordable Care Act prior to January 1, 2016. This measure also ensures that Hawaii's insurance laws are in compliance with relevant federal health insurance laws.

Your Committee also finds that the Affordable Care Act includes or references the Public Health Service Act and the Health Insurance Portability and Accountability Act of 1996. To ensure compliance with relevant federal laws, it is necessary to insert a purpose section in this measure which specifies that the definition of "small employer" in section 431:2-201.5, Hawaii Revised Statutes, applies to the Public Health Service Act, the Health Insurance Portability and Accountability Act of 1996, and all provisions of the Affordable Care Act.

Your Committee additionally finds that the Affordable Care Act also requires states to establish their own standards for provider network adequacy. Currently, there are multiple agencies that apply network adequacy standards to health insurers. Amendments to this measure are therefore necessary to create a uniform network adequacy standard that will be applied to all health insurers doing business in Hawaii. This will assure consumers that health care provider networks and access to care will remain consistent, regardless of the type of insurance plan or program chosen.

Accordingly, your Committee has amended this measure by:

- (1) Establishing a uniform network adequacy standard that requires each managed care plan in the State to demonstrate the adequacy of its provider network to the Insurance Commissioner;
- (2) Requiring the Insurance Commissioner to provide the Hawaii Health Connector with a list of qualified health plans that meet network adequacy standards, as determined by the Commissioner;
- (3) Repealing section 432E-3, Hawaii Revised Statutes, relating to managed care plans and access to services;
- (4) Inserting a purpose section; 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. 848, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 848, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Solomon, Taniguchi).

#### **SCRep. 1054 Ways and Means on H.B. No. 425**

The purpose and intent of this measure is to establish payment requirements under state law for offers in compromise that are submitted to the Department of Taxation.

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 finds that an offer in compromise, if accepted by the Department of Taxation, is an agreement between a taxpayer and the Department of Taxation that settles the taxpayer's tax liabilities for less than the full amount owed. This measure would treat offers in compromise in the same manner as federal treatment under the Internal Revenue Code, thereby conforming offers in compromise for federal and state tax payments.

Your Committee further finds that this measure will reduce the number of frivolous offers in compromise applications by requiring that offers in compromise be accompanied by:

- (1) Twenty per cent of the amount offered, in the case of a lump-sum offer in compromise; or
- (2) The first installment, in the case of a periodic payment offer in compromise.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 425, 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. Noes, none. Excused, none.

**SCRep. 1055 Ways and Means on H.B. No. 915**

The purpose and intent of this measure is to improve the integrity of the State unemployment insurance program in conformance with federal law.

More specifically, this measure authorizes the Department of Labor and Industrial Relations to:

- (1) Recoup certain overpayments of unemployment benefits from an employer's unemployment trust fund account;
- (2) Impose a penalty upon certain individuals who receive overpaid unemployment benefits and to recoup both the penalty amount and the overpayment from the individual's federal income tax refund;
- (3) Offset an employer's default of advance payments, contributions, or reimbursements against the employer's federal income tax refund payments; and
- (4) Use funds in the State's account in the unemployment trust fund to pay fees authorized under the Internal Revenue Code for the review of reductions relating to credits and refunds.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that this measure would conform Hawaii's employment security laws to the federal Trade Adjustment Assistance Extension Act of 2011. Federal law prohibits states from relieving charges to an employer's account when an overpayment results from the employer's failure to respond to the Department's written request for information and requires states to impose a specified minimum penalty on fraudulent overpayments. Failure to adopt the imposition of the minimum penalty may result in the State's loss of \$13,000,000 in federal grants. This measure reflects the State's commitment to participate in the federal Treasury Offset Program, enabling receipt of federal funds for integrity activities relating to unemployment insurance funds.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 915, 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, 10. Noes, none. Excused, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 1056 (Joint) Education and Health on S.R. No. 27**

The purpose and intent of this measure is to encourage the Department of Education to work with the Department of Health to develop nutritionally-sound school meal plans that give students the option of a vegetarian entrée at least once a week.

Your Committees received testimony in support of this measure from the Puna Community Medical Center and four individuals. Your Committees received comments on this measure from the Department of Education.

Your Committees find that while some public schools do provide vegetarian school lunch options, students who identify themselves as vegetarian or vegan or come from vegetarian or vegan families are at a disadvantage if no vegetarian school lunch options are available at their schools.

As this measure moves forward in the legislative process, your Committees encourage the Department of Education to look at the feasibility of providing salad bars at each public school.

As affirmed by the records of votes of the members of your Committees on Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 27 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Health

Ayes, 3. Noes, none. Excused, 2 (Baker, Nishihara).

**SCRep. 1057 Education on S.C.R. No. 76**

The purpose and intent of this measure is to request the Board of Education to research state models and best practices on home schooled student participation in public school extracurricular activities and sports and explore the implementation of such a program in Hawaii.

Your Committee received testimony in support of this measure from the Department of Education and two individuals.

Your Committee finds that there are currently thirty-five states that allow home schooled students to participate in extracurricular activities in some way or leave the decision to allow such participation to the local school boards or individual public schools. In contrast, the Board of Education currently does not have a policy allowing home schooled students to participate in extracurricular and sports in Hawaii's public schools.

Your Committee further finds that home schooled students may benefit from participation in extracurricular activities and sports in the same manner as their public school counterparts but understands the concerns raised by various stakeholders. This measure requests that the Board of Education look at best practices and models in other states in the area of home schooled student participation in extracurricular activities and sports to determine what type of policy, if any, would work best in the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 76 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 (Kidani, Slom).

**SCRep. 1058 Education on S.R. No. 43**

The purpose and intent of this measure is to request the Board of Education to research state models and best practices on home schooled student participation in public school extracurricular activities and sports and explore the implementation of such a program in Hawaii.

Your Committee received testimony in support of this measure from the Department of Education and two individuals.

Your Committee finds that there are currently thirty-five states that allow home schooled students to participate in extracurricular activities in some way or leave the decision to allow such participation to the local school boards or individual public schools. In contrast, the Board of Education currently does not have a policy allowing home schooled students to participate in extracurricular and sports in Hawaii's public schools.

Your Committee further finds that home schooled students may benefit from participation in extracurricular activities and sports in the same manner as their public school counterparts but understands the concerns raised by various stakeholders. This measure requests that the Board of Education look at best practices and models in other states in the area of home schooled student participation in extracurricular activities and sports to determine what type of policy, if any, would work best in the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 43 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 (Kidani, Slom).

**SCRep. 1059 Education on S.C.R. No. 77**

The purpose and intent of this measure is to request the Board of Education to develop a uniform sexuality health education program for all public schools.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii Youth Services Network, Planned Parenthood of Hawaii, Child and Family Service, and one individual. Your Committee received testimony in opposition to this measure from the Department of Education and four individuals.

Your Committee finds that sexuality health education should be taught in a uniform manner across the State's public schools to ensure that students are receiving the same information, and should take into account the appropriateness of mandating sexual health education for certain age groups, social-emotional issues relating to sexuality, training standards for teachers, review options for curricula, and sufficient monitoring and oversight of a sexuality health program.

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 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 (Kidani, Slom).

**SCRep. 1060 Education on S.R. No. 44**

The purpose and intent of this measure is to request the Board of Education to develop a uniform sexuality health education program for all public schools.

Your Committee received testimony in support of this measure from the Hawaii State Commission on the Status of Women, Hawaii Youth Services Network, Planned Parenthood of Hawaii, Child and Family Service, and one individual. Your Committee received testimony in opposition to this measure from the Department of Education and four individuals.

Your Committee finds that sexuality health education should be taught in a uniform manner across the State's public schools to ensure that students are receiving the same information, and should take into account the appropriateness of mandating sexual health education for certain age groups, social-emotional issues relating to sexuality, training standards for teachers, review options for curricula, and sufficient monitoring and oversight of a sexuality health program.

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. 44 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 (Kidani, Slom).

**SCRep. 1061 (Joint) Education and Higher Education on S.C.R. No. 96**

The purpose and intent of this measure is to:

- (1) Commend the Jump Start Task Force on the creation of the Jump Start Program;
- (2) Encourage the expansion of the Jump Start Program to schools on the islands of Maui and Hawaii; and

- (3) Request the Department of Education and the University of Hawaii Community Colleges to continue their support of the Jump Start Program.

Your Committees received testimony in support of this measure from the Department of Education, Complex Area Superintendent of the Nanakuli-Waianae Schools, Honolulu Community College, Kapi'olani Community College, and Hawai'i P-20 Partnerships for Education.

Your Committees find that the Jump Start Program is a career and technical education dual credit program for Hawaii high school seniors to help meet the need for career and technical education classes in high school. The Jump Start Program has been highly successful, and your Committees hope that the program can expand so that other high school seniors whose high schools do not yet provide career and technical education opportunities can benefit from the program.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 96 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Kahele).

**SCRep. 1062 (Joint) Education and Higher Education on S.R. No. 62**

The purpose and intent of this measure is to:

- (1) Commend the Jump Start Task Force on the creation of the Jump Start Program;
- (2) Encourage the expansion of the Jump Start Program to schools on the islands of Maui and Hawaii; and
- (3) Request the Department of Education and the University of Hawaii Community Colleges to continue their support of the Jump Start Program.

Your Committees received testimony in support of this measure from the Department of Education, Complex Area Superintendent of the Nanakuli-Waianae Schools, Honolulu Community College, Kapi'olani Community College, and Hawai'i P-20 Partnerships for Education.

Your Committees find that the Jump Start Program is a career and technical education dual credit program for Hawaii high school seniors to help meet the need for career and technical education classes in high school. The Jump Start Program has been highly successful, and your Committees hope that the program can expand so that other high school seniors whose high schools do not yet provide career and technical education opportunities can benefit from the program.

As affirmed by the records of votes of the members of your Committees on Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 62 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Education

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

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Kahele).

**SCRep. 1063 (Joint) Education and Economic Development, Government Operations and Housing on S.C.R. No. 190**

The purpose and intent of this measure is to request the Board of Education to:

- (1) Review its Policy No. 6701 in light of the State's efforts to renovate and build twenty-first century schools; and
- (2) Report its findings and recommendations to the Legislature.

Your Committees received testimony in support of this measure from the Department of Education and Hawaii Institute for Public Affairs.

Your Committees find that the State is exploring ways to renovate and build new schools that meet twenty-first century education standards that incorporate new strategies for school design to accommodate a wide range of learning styles, promote community interaction with the school, and allow the use of advanced technology and energy efficient systems.

Your Committees further find that the Board of Education may need to review Board Policy No. 6701, which provides acreage guidelines for elementary, intermediate, middle, and high schools, as this policy may limit the State's ability to renovate and build new schools that meet twenty-first century standards.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 190 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.



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

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Thielen).

**SCRep. 1064 (Joint) Education and Economic Development, Government Operations and Housing on S.R. No. 145**

The purpose and intent of this measure is to request the Board of Education to:

- (1) Review its Policy No. 6701 in light of the State's efforts to renovate and build twenty-first century schools; and
- (2) Report its findings and recommendations to the Legislature.

Your Committees received testimony in support of this measure from the Department of Education and Hawaii Institute for Public Affairs.

Your Committees find that the State is exploring ways to renovate and build new schools that meet twenty-first century education standards that incorporate new strategies for school design to accommodate a wide range of learning styles, promote community interaction with the school, and allow the use of advanced technology and energy efficient systems.

Your Committees further find that the Board of Education may need to review Board Policy No. 6701, which provides acreage guidelines for elementary, intermediate, middle, and high schools, as this policy may limit the State's ability to renovate and build new schools that meet twenty-first century standards.

As affirmed by the records of votes of the members of your Committees on Education and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 145 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

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

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Thielen).

**SCRep. 1065 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 121**

The purpose and intent of this measure is to request Hawaii's Congressional Delegation to propose amendments to the Airline Deregulation Act to exempt Hawaii from the United States' preemption of state economic regulation of interstate air transportation.

Your Committees received testimony in support of this measure from the Association of Hawaiian Civic Clubs and one individual.

The Airline Deregulation Act of 1978 amended the Federal Aviation Act to prohibit states, political subdivisions of a state, or political authority of at least two states from enacting or enforcing a law, regulation, or other provision having the force and effect of law related to the price, route, or service of an air carrier providing air transportation, including foreign air transportation, interstate air transportation, or the transportation of mail by aircraft. Alaska was specifically granted in statute an exemption from the Airline Deregulation Act under title 49 United States Code section 41713, which provides in part that, under certain circumstances, the federal preemption provisions of the Act do not apply to air transportation provided entirely in Alaska.

Your Committees find that Hawaii is unique among all the states because Hawaii is an island state in which air transportation is often the only practical form of intrastate transportation, and Hawaii residents fly frequently among the islands to conduct business, vacation, and visit family and friends.

Hawaii has only one major interisland air carrier that has no formidable competition. Therefore, regulation of intrastate air transportation, similarly to Alaska, is necessary to limit monopoly pricing and ensure service to less profitable routes.

Your Committees request that, if your Committee on Ways and Means chooses to schedule this measure for a hearing and pass it out of Committee, the title of the measure and references within the measure to interstate be amended to read intrastate.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 121 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 3 (English, Kouchi, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1066 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.R. No. 84**

The purpose and intent of this measure is to request Hawaii's Congressional Delegation to propose amendments to the Airline Deregulation Act to exempt Hawaii from the United States' preemption of state economic regulation of interstate air transportation.

Your Committees received testimony in support of this measure from the Association of Hawaiian Civic Clubs and one individual.

The Airline Deregulation Act of 1978 amended the Federal Aviation Act to prohibit states, political subdivisions of a state, or political authority of at least two states from enacting or enforcing a law, regulation, or other provision having the force and effect of law related to the price, route, or service of an air carrier providing air transportation, including foreign air transportation, interstate air transportation, or the transportation of mail by aircraft. Alaska was specifically granted in statute an exemption from the Airline Deregulation Act under title 49 United States Code section 41713, which provides in part that, under certain circumstances, the federal preemption provisions of the Act do not apply to air transportation provided entirely in Alaska.

Your Committees find that Hawaii is unique among all the states because Hawaii is an island state in which air transportation is often the only practical form of intrastate transportation, and Hawaii residents fly frequently among the islands to conduct business, vacation, and visit family and friends.

Hawaii has only one major interisland air carrier that has no formidable competition. Therefore, regulation of intrastate air transportation, similarly to Alaska, is necessary to limit monopoly pricing and ensure service to less profitable routes.

Your Committees request that, if your Committee on Ways and Means chooses to schedule this measure for a hearing and pass it out of Committee, the title of the measure and references within the measure to interstate be amended to read intrastate.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 84 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 6; Ayes with Reservations (Slom). Noes, none. Excused, 3 (English, Kouchi, Solomon).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1067 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 169**

The purpose and intent of this measure is to urge Hawaii's Congressional Delegation to seek and obtain additional federal aid to the State of Hawaii for the provision of educational services to migrants from the Compact of Free Association nations.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the Department of Education.

Migrants from the Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau are allowed to enter the State of Hawai'i under the Compact of Free Association. The Compact of Free Association provides for economic assistance (including eligibility for certain U.S. federal programs), defense of the Compact of Free Association nations, and other benefits by the United States, including educational services, in exchange for defense and certain other rights for the United States in the Compact of Free Association nations.

Many Hawaii state agencies provide a broad range of educational, health, and social services to migrants from the Compact of Free Association nations who have moved to Hawaii. The cost to the State to provide various state services to the Compact of Free Association migrants continues to increase each year.

Your Committees find that additional support from the United States government is needed to fulfill the United States' obligation to Compact of Free Association immigrants.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 169 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 6. Noes, none. Excused, 3 (English, Kouchi, Solomon).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1068 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.R. No. 126**

The purpose and intent of this measure is to urge Hawaii's Congressional Delegation to seek and obtain additional federal aid to the State of Hawaii for the provision of educational services to migrants from the Compact of Free Association nations.

Your Committees received testimony in support of this measure from one individual. Your Committees received comments on this measure from the Department of Education.

Migrants from the Federated States of Micronesia, Republic of the Marshall Islands, and Republic of Palau are allowed to enter the State of Hawai'i under the Compact of Free Association. The Compact of Free Association provides for economic assistance (including eligibility for certain U.S. federal programs), defense of the Compact of Free Association nations, and other benefits by the United States, including educational services, in exchange for defense and certain other rights for the United States in the Compact of Free Association nations.

Many Hawaii state agencies provide a broad range of educational, health, and social services to migrants from the Compact of Free Association nations who have moved to Hawaii. The cost to the State to provide various state services to the Compact of Free Association migrants continues to increase each year.

Your Committees find that additional support from the United States government is needed to fulfill the United States' obligation to Compact of Free Association immigrants.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 126 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Kouchi, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1069 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 182**

The purpose and intent of this measure is to express support for the enhanced trade and investment opportunities among member countries of the Trans-Pacific Partnership and encourage Hawai'i's Congressional delegation and other leaders to support negotiations to finalize the Partnership.

Your Committees received testimony in support of this measure from the Australian Consulate-General.

The Trans-Pacific Partnership is a proposed free trade agreement among the United States and various countries having the purpose of stimulating the economies of member nations. The nations include the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The Trans-Pacific Partnership potentially could eliminate tariff and non-tariff barriers to trade and investment among the parties.

Hawai'i is located in the middle of the Pacific Ocean between the continents of Asia, Australia, and North and South America, whose countries bordering the Pacific are part of the Pacific Rim nations. Your Committees find that the Trans-Pacific Partnership agreement will create jobs and promote job retention in the United States and consequently in Hawai'i by increasing exports in the Pacific Rim region, which represent more than forty percent of global trade.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 182, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 182, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Kouchi, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1070 (Joint) Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.R. No. 138**

The purpose and intent of this measure is to express support for the enhanced trade and investment opportunities among member countries of the Trans-Pacific Partnership and encourage Hawai'i's Congressional delegation and other leaders to support negotiations to finalize the Partnership.

Your Committees received testimony in support of this measure from the Australian Consulate-General.

The Trans-Pacific Partnership is a proposed free trade agreement among the United States and various countries having the purpose of stimulating the economies of member nations. The nations include the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam. The Trans-Pacific Partnership potentially could eliminate tariff and non-tariff barriers to trade and investment among the parties.

Hawai'i is located in the middle of the Pacific Ocean between the continents of Asia, Australia, and North and South America, whose countries bordering the Pacific are part of the Pacific Rim nations. Your Committees find that the Trans-Pacific Partnership agreement will create jobs and promote job retention in the United States and consequently in Hawai'i by increasing exports in the Pacific Rim region, which represent more than forty percent of global trade.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of

S.R. No. 138, 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. 138, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Kouchi, Solomon).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1071 Education on S.C.R. No. 97**

The purpose and intent of this measure is to request the Department of Education to undertake a systemwide review of its oversight, monitoring, and accountability of the operational and fiscal practices of the Department's School Food Services Branch.

Your Committee received testimony in support of this measure from the Department of Education and one individual.

Your Committee finds that during 2012, the Department of Education conducted an internal audit of its Schools Food Services Branch, finding that the Department's controls related to food services are functioning at an unacceptable level. While the Department acknowledges its shortcomings in this area, your Committee emphasizes the importance of implementing systematic changes to policies and procedures at all levels to address the concerns raised by the audit.

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. 97 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 1072 Education on S.R. No. 63**

The purpose and intent of this measure is to request the Department of Education to undertake a systemwide review of its oversight, monitoring, and accountability of the operational and fiscal practices of the Department's School Food Services Branch.

Your Committee received testimony in support of this measure from the Department of Education and one individual.

Your Committee finds that during 2012, the Department of Education conducted an internal audit of its Schools Food Services Branch, finding that the Department's controls related to food services are functioning at an unacceptable level. While the Department acknowledges its shortcomings in this area, your Committee emphasizes the importance of implementing systematic changes to policies and procedures at all levels to address the concerns raised by the audit.

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. 63 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Kidani, Slom).

**SCRep. 1073 (Joint) Transportation and International Affairs and Human Services and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 108**

The purpose and intent of this measure is to urge the United States Congress to include citizens of the Freely Associated States who lawfully reside in the United States as "qualified aliens" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 in recognizing their unique historic and ongoing sacrifices and contributions to the United States of America.

Your Committees received testimony in support of this measure from the Hawaii Civil Rights Commission, Office of Hawaiian Affairs, Health Care Association of Hawaii, Japanese American Citizens League, Nations of Micronesia Committee, Federated States of Micronesia, Republic of Marshall Islands, Kokua Kalihi Valley Health Center, Hawaii Appleseed Center, COFA Community Advocacy Network, Healthy Pacific Organization, Hawaii Disability Rights Center, SHIP-HOOPS, Hepatitis Support Network of Hawaii, Micronesian Community Network, and thirteen individuals. Your Committees received comments from two individuals.

The Freely Associated States of the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia comprise a multitude of islands, languages, and cultures throughout the Micronesian regions of the Pacific Ocean. The Compacts of Free Association between the Freely Associated States and the United States of America recognize the historic sacrifices and contributions of the citizens of the Freely Associated States to the interests of the United States of America, including the use of their island atolls for sixty-seven nuclear tests from 1946 to 1958, which subjected Marshallese people to human radiation experiments without their knowledge or their consent; and the occupation by the United States military of the island atolls to ensure control of the Pacific.

In addition to these sacrifices, the sons and daughters of the citizens of the Freely Associated States continue to lay down their lives in the interest of the United States, representing some of the highest levels of per-capita military personnel recruitment levels to the United States military compared to any other jurisdiction, including the fifty states comprising the United States of America.

Despite the rights to reside and seek economic opportunity in the United States as granted to the citizens of the Freely Associated States, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 denied citizens of the Freely Associated States who reside in the United States eligibility for numerous federal benefits, including Medicaid, Social Security Income, food stamps, housing, and other social safety nets that are accessible by other legal resident immigrants.

H.R. 912, "Restoring Medicaid for Compact of Free Association Migrants Act of 2013", in the United States House of Representatives, as introduced by United States Representative Colleen Hanabusa on February 28, 2013, amends title IV of the

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to restore Medicaid coverage for citizens of the Freely Associated States lawfully residing in the United States under the Compacts of Free Association between the Government of the United States and the Governments of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. This measure supports efforts such as H.R. 912 to provide relief to these individuals from Hawaii's burdensome uncompensated Medicaid costs.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs, Human Services, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 108 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Kouchi, Solomon).

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1074 (Joint) Transportation and International Affairs and Human Services and Public Safety, Intergovernmental and Military Affairs on S.R. No. 74**

The purpose and intent of this measure is to urge the United States Congress to include citizens of the Freely Associated States who lawfully reside in the United States as "qualified aliens" under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 in recognizing their unique historic and ongoing sacrifices and contributions to the United States of America.

Your Committees received testimony in support of this measure from the Hawaii Civil Rights Commission, Office of Hawaiian Affairs, Health Care Association of Hawaii, Japanese American Citizens League, Nations of Micronesia Committee, Federated States of Micronesia, Republic of Marshall Islands, Kokua Kalihi Valley Health Center, Hawaii Appleseed Center, COFA Community Advocacy Network, Healthy Pacific Organization, Hawaii Disability Rights Center, SHIP-HOOPS, Hepatitis Support Network of Hawaii, Micronesian Community Network, and thirteen individuals. Your Committees received comments from two individuals.

The Freely Associated States of the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia comprise a multitude of islands, languages, and cultures throughout the Micronesian regions of the Pacific Ocean. The Compacts of Free Association between the Freely Associated States and the United States of America recognize the historic sacrifices and contributions of the citizens of the Freely Associated States to the interests of the United States of America, including the use of their island atolls for sixty-seven nuclear tests from 1946 to 1958, which subjected Marshallese people to human radiation experiments without their knowledge or their consent; and the occupation by the United States military of the island atolls to ensure control of the Pacific.

In addition to these sacrifices, the sons and daughters of the citizens of the Freely Associated States continue to lay down their lives in the interest of the United States, representing some of the highest levels of per-capita military personnel recruitment levels to the United States military compared to any other jurisdiction, including the fifty states comprising the United States of America.

Despite the rights to reside and seek economic opportunity in the United States as granted to the citizens of the Freely Associated States, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 denied citizens of the Freely Associated States who reside in the United States eligibility for numerous federal benefits, including Medicaid, Social Security Income, food stamps, housing, and other social safety nets that are accessible by other legal resident immigrants.

H.R. 912, "Restoring Medicaid for Compact of Free Association Migrants Act of 2013", in the United States House of Representatives, as introduced by United States Representative Colleen Hanabusa on February 28, 2013, amends title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to restore Medicaid coverage for citizens of the Freely Associated States lawfully residing in the United States under the Compacts of Free Association between the Government of the United States and the Governments of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. This measure supports efforts such as H.R. 912 to provide relief to these individuals from Hawaii's burdensome uncompensated Medicaid costs.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs, Human Services, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 74 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Kouchi, Solomon).

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1075 Economic Development, Government Operations and Housing on Gov. Msg. No. 522**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

G.M. No. 522 LEILANI PULMANO, for a term to expire 6-30-2016

Your Committee received testimony in support of Leilani Pulmano from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and nine individuals.

Ms. Pulmano received a Bachelor of Business Administration degree from the University of Hawaii and serves as a board member of the Lahaina Restoration Foundation.

Ms. Pulmano is a large-scale development project manager with Munekiyo & Hiraga, Inc. She has worked for Maui Land and Pineapple Company, Inc., and has experience with the finance, planning, and development of residential housing projects, including mixed-use developments in West and Upcountry Maui and affordable housing projects. Your Committee finds that Ms. Pulmano's experience will provide needed guidance to staff of the Hawaii Housing Finance and Development Corporation in reviewing project applications and in setting Board policies.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

**SCRep. 1076 Agriculture on Gov. Msg. No. 597**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF AGRICULTURE

G.M. No. 597 GLENN HONG, for a term to expire 6-30-2017

Your Committee received testimony in support of Glenn Hong from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Maui County Farm Bureau; Hawaii Farm Bureau Federation; Young Brothers Limited; Meadow Gold Dairies; Amergent Techs; and the Maritime Group.

Mr. Hong graduated from the University of Southern California with a degree in Accounting. Mr. Hong is currently the President of Young Brothers, Limited, and Hawaiian Tug and Barge, which provides transportation services via water routes and ship-assist services to the Hawaiian islands. Mr. Hong has a wide range of professional experience including as the Controller of Hawaiian Electric Industries, Director of Financial Analysis for GTE Corporation, Audit Director of GTE Telephone Operations, and as an accountant. Mr. Hong has been involved in numerous community and business organizations during his career, including Board Chair of the Hawaii Employers Council, Executive Committee member of the Hawaii Harbors Users Group, and Advisory Board member of the University Of Hawaii Shidler School Of Business.

Mr. Hong has provided outstanding service on the Board of Agriculture for the past eight months and brings a unique and vital perspective to the Board. In only eight months, Mr. Hong has proven to be an active participant on the Board and has forged an excellent working relationship with the other Board members. Transportation of agricultural commodities is an essential component for the success of any agricultural venture in Hawaii. Mr. Hong's decades of experience in the transportation field provide key insight and perspective on the issue of transportation of agricultural commodities and provide the Board with a fuller view of all the factors and challenges our local farmers are facing. His significant business background brings additional insight to the Board on issues regarding agribusiness in Hawaii.

Mr. Hong testified that he believes water is the most critical resource for Hawaii's community and economy and is dedicated to conserving water resources and ensuring water resources are available for future generations in Hawaii. Given the foregoing, your Committee believes that Mr. Hong possesses the requisite commitment, sincerity, dedication, and qualifications to be nominated to 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (English, Wakai, Slom).

**SCRep. 1077 Agriculture on Gov. Msg. Nos. 503, 504, 505, and 506**

Recommending that the Senate advise and consent to the nominations of the following:

ADVISORY COMMITTEE ON PESTICIDES

G.M. No. 503 JAMES ESCHLE, for a term to expire 6-30-2016;

G.M. No. 504 JEFFREY KERMODE, for a term to expire 6-30-2016;

G.M. No. 505 JOHN MCHUGH, for a term to expire 6-30-2015; and

G.M. No. 506 ROGER BREWER, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds James Eschle, Jeffrey Kermode, John McHugh, and Roger Brewer to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Advisory Committee on Pesticides.

JAMES ESCHLE

Your Committee received testimony in support of this nominee from the Department of Agriculture and Hawaii Pest Control Association.

Dr. Eschle received his Doctorate of Philosophy in Entomology from the University of Wisconsin. He has thirteen years of experience in applied research and project management at the United States Department of Agriculture, where he focused on the biology and control of insects affecting livestock. He has significant experience as a consultant in termite control and would serve as the representative from the structural pest control industry. Dr. Eschle has also served as an expert witness in numerous litigation cases involving termite inspections and damages, has conducted hundreds of inspections for realtors, and has provided classes for pest control operators on behalf of the Hawaii Pest Control Association. Dr. Eschle's ability to process critical information and dedication to matters dealing with pesticides will provide a vital resource to the Advisory Committee on Pesticides.

JEFFREY KERMODE

Your Committee received testimony in support of this nominee from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Maui County Farm Bureau; Hawaii Farm Bureau Federation; Alexander and Baldwin, Inc.; and Hawaiian Commercial and Sugar Company.

Mr. Kermode received his Bachelor of Arts degree in Geography with a specialization in Environmental Studies from the University of British Columbia. Mr. Kermode worked in environmental health and safety related fields for over twenty years. As a consultant, his work ranged from performing environmental site assessments to pollution prevention planning. For the past four years, Mr. Kermode has been employed as the Environmental Manager for Maui Land and Pineapple Company, where he works on pesticide related issues. Through his work, Mr. Kermode has developed a deep appreciation for the environment and agriculture in Hawaii. Mr. Kermode would serve on the committee as a representative from the sugar industry. Mr. Kermode is uniquely qualified to assess the potential impact of proposed regulations on farming interests and to also ensure that proposed regulations are protective of human health and the environment.

JOHN MCHUGH

Your Committee received testimony in support of this nominee from the Department of Agriculture; Hawaii Cattlemen's Council, Inc.; Maui County Farm Bureau; Hawaii Agriculture Research Center; BEI Hawaii; Hawaii Farm Bureau Federation; and four individuals.

Dr. McHugh graduated from the University of Hawaii with a Bachelor of Science degree in General Agriculture and a Master's degree in Horticulture. Dr. McHugh earned his Doctorate of Philosophy in Entomology from Purdue University. Dr. McHugh has significant experience in agricultural research and has published extensively in the areas of pest management and Hawaii agriculture. Dr. McHugh's broad experience includes managing Sumida Farm, Inc., where he increased the production of crops three-fold by implementing improved cultural techniques and practices. He is a general partner of Crop Care Hawaii, LLC, a company that focuses on farmer education through pesticide recertification training, crop consulting, integrated pest management, sustainable agriculture research and education, soil conservation, grant writing, and extension type activities. Dr. McHugh would serve on the committee as the representative from the Hawaii Farm Bureau Federation. Dr. McHugh's firsthand experience working with Hawaii's farmers and his experience with pests that impact Hawaii agriculture make him well qualified to serve on the Advisory Committee on Pesticides.

ROGER BREWER

Your Committee received testimony in support of this nominee from the Department of Agriculture, Department of Health, Environmental Science International, and five individuals.

Dr. Brewer earned his Bachelor's degree in Geology from the University of Alabama, Master's degree in Geology from the University of Tennessee, and Doctorate of Philosophy in Geology from the University of Alabama. He is currently a Senior Environmental Scientist with the Hawaii Department of Health. Dr. Brewer would serve on the committee as a representative from the Department of Health. His environmental experience includes regulatory compliance audits, soil and groundwater investigations, quantitative human health risk assessments, and screening-level ecological risk characterizations. He gives numerous training classes on methods to identify environmental hazards at contaminated sites and is actively involved in the continued development of state and federal environmental risk assessment programs. In addition to the Hawaii Department of Health, he has worked for the California Environmental Protection Agency and has done numerous risk assessments for companies all over the world. Dr. Brewer is a nationally recognized expert in environmental risk assessments, and his breadth of experience will be an asset to 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, 4. Noes, none. Excused, 3 (English, Wakai, Slom).

**SCRep. 1078 Economic Development, Government Operations and Housing on S.C.R. No. 41**

The purpose and intent of this measure is to extend the government contracting task force to June 30, 2013, so that it may finalize and submit its 2012 interim report to the Legislature, to include the following:

- (1) A report on the task force's study of state contracting processes;

- (2) Recommendations to standardize and simplify the state contracting process between private parties and certain state agencies; and
- (3) An evaluation of the “dashboard” demonstration project involving certain state agencies.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii and Hawaii Alliance of Nonprofit Organizations.

Your Committee finds that the task force has been meeting since the summer of 2011 and has made considerable progress. Due to the complexity of the issues it was created to address, however, the task force needs more time to resolve the issues to the satisfaction of all parties involved. Your Committee finds that with an extension, the task force plans to concentrate on higher systemic issues including contracting and payment processes; communication; technology; accountability; transparency; and education and training.

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

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41, 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. 41, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 1079 Public Safety, Intergovernmental and Military Affairs on S.R. No. 47**

The purpose and intent of this measure is to request the Hawaii State Civil Defense to conduct a study regarding what actions, if any, should be taken by the State in the interest of public safety when people refuse to leave their homes or businesses refuse to close in evacuation zones during natural disasters.

Your Committee received testimony in support of this measure from the Department of Defense.

Your Committee finds that this study will provide a closer look at the challenges faced by first responders who encounter people who refuse to leave their homes or close their businesses located in evacuation zones. This measure will provide possible solutions to these difficult situations in order to improve public safety during natural disasters.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 47 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1080 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 80**

The purpose and intent of this measure is to request the Hawaii State Civil Defense to conduct a study regarding what actions, if any, should be taken by the State in the interest of public safety when people refuse to leave their homes or businesses refuse to close in evacuation zones during natural disasters.

Your Committee received testimony in support of this measure from the Department of Defense.

Your Committee finds that this study will provide a closer look at the challenges faced by first responders who encounter people who refuse to leave their homes or close their businesses located in evacuation zones. This measure will provide possible solutions to these difficult situations in order to improve public safety during natural disasters.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 80 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1081 Public Safety, Intergovernmental and Military Affairs on S.R. No. 35**

The purpose and intent of this measure is to encourage the Department of Public Safety to seriously consider the establishment and implementation of a stand-alone reentry center in Honolulu for recovering criminal offenders, which is to include residential and day-reporting program options.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, Ohana Ho'opakele, and one individual.

Your Committee finds that inmates who are released with the support of reentry centers are more likely to be gainfully employed and less likely to recidivate as compared to inmates who are released directly into the community. Your Committee further finds that community-directed housing facilities are significantly more cost-effective than hard bed incarceration. This measure promotes the goal of the Justice Reinvestment Initiative of returning inmates from the mainland by creating additional community placement for inmates transitioning back into the community.

Your Committee has amended this measure by:



- (1) Offering reentry center placement as an option for low-risk offenders, rather than individuals serving non-violent, non-sexual sentences;
- (2) Amending the title for consistency; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.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.R. No. 35, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1082 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 67**

The purpose and intent of this measure is to encourage the Department of Public Safety to seriously consider the establishment and implementation of a stand-alone reentry center in Honolulu for recovering criminal offenders, which is to include residential and day-reporting program options.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, Ohana Ho'opakele, and one individual.

Your Committee finds that inmates who are released with the support of reentry centers are more likely to be gainfully employed and less likely to recidivate as compared to inmates who are released directly into the community. Your Committee further finds that community-directed housing facilities are significantly more cost-effective than hard bed incarceration. This measure promotes the goal of the Justice Reinvestment Initiative of returning inmates from the mainland by creating additional community placement for inmates transitioning back into the community.

Your Committee has amended this measure by:

- (1) Offering reentry center placement as an option for low-risk offenders, rather than individuals serving non-violent, non-sexual sentences;
- (2) Amending the title for consistency; 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, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 67, 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. 67, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1083 Public Safety, Intergovernmental and Military Affairs on S.R. No. 42**

The purpose and intent of this measure is to urge the federal government to release Roger Christie, who has been held in federal detention since July of 2010, pending his trial and subject to bail conditions.

Your Committee received testimony in support of this measure from Community Alliance on Prisons; Drug Policy Action Group; Drug Policy Forum of Hawaii; Progressive Democrats of Hawaii; Americans for Safe Access, Big Island Chapter; Libertarian Party of Hawaii; and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety and two individuals. Your Committee received comments on this measure from four individuals.

Your Committee finds that in July 2010, Roger Christie was arrested and charged with three federal counts of conspiring to manufacture, distribute, and possess marijuana. Your Committee further finds that Mr. Christie has no criminal history of violence. This measure calls upon federal authorities to release Mr. Christie on bail and ensure that Mr. Christie's constitutional rights to due process and a speedy trial are not violated.

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, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 42, 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. 42, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1084 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 75**

The purpose and intent of this measure is to urge the federal government to release Roger Christie, who has been held in federal detention since July of 2010, pending his trial and subject to bail conditions.

Your Committee received testimony in support of this measure from Community Alliance on Prisons; Drug Policy Action Group; Drug Policy Forum of Hawaii; Progressive Democrats of Hawaii; Americans for Safe Access, Big Island Chapter; Libertarian Party of Hawaii; and numerous individuals. Your Committee received testimony in opposition to this measure from the Department of Public Safety and two individuals. Your Committee received comments on this measure from four individuals.

Your Committee finds that in July 2010, Roger Christie was arrested and charged with three federal counts of conspiring to manufacture, distribute, and possess marijuana. Your Committee further finds that Mr. Christie has no criminal history of violence. This measure calls upon federal authorities to release Mr. Christie on bail and ensure that Mr. Christie's constitutional rights to due process and a speedy trial are not violated.

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, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 75, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 75, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Baker, Green).

**SCRep. 1085 Education on S.R. No. 26**

The purpose and intent of this measure is to request the Board of Education and Department of Education to continue to collaborate with family and community organizations to establish, implement, and monitor statewide policies for family-school partnerships in Hawaii's public schools.

Your Committee received testimony in support of this measure from the Department of Education, State Council on Developmental Disabilities, Special Education Advisory Council, Family Voices of Hawai'i, Parent Teacher Student Association, Hui for Excellence in Education, Community Children's Council of Hawaii, and one individual.

Your Committee finds that in response to Senate Concurrent Resolution No. 145, Regular Session of 2011, and Senate Concurrent Resolution No. 79, Regular Session of 2012, the Department of Education and a working group comprised of family and community organizations laid the groundwork for establishing policies for family-school partnerships. This measure encourages the Board of Education and Department of Education to continue working toward the full establishment, implementation, and monitoring of the working group's policy recommendations for family-school engagement in Hawaii's public schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26 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 (Shimabukuro, Slom).

**SCRep. 1086 Education on S.C.R. No. 49**

The purpose and intent of this measure is to request the Board of Education and Department of Education to continue to collaborate with family and community organizations to establish, implement, and monitor statewide policies for family-school partnerships in Hawaii's public schools.

Your Committee received testimony in support of this measure from the Department of Education, State Council on Developmental Disabilities, Special Education Advisory Council, Family Voices of Hawai'i, Parent Teacher Student Association, Hui for Excellence in Education, Community Children's Council of Hawaii, and one individual.

Your Committee finds that in response to Senate Concurrent Resolution No. 145, Regular Session of 2011, and Senate Concurrent Resolution No. 79, Regular Session of 2012, the Department of Education and a working group comprised of family and community organizations laid the groundwork for establishing policies for family-school partnerships. This measure encourages the Board of Education and Department of Education to continue working toward the full establishment, implementation, and monitoring of the working group's policy recommendations for family-school engagement in Hawaii's public schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49 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 (Shimabukuro, Slom).

**SCRep. 1087 Education on S.R. No. 8**

The purpose and intent of this measure is to request the Department of Education to meet with interested parties to examine the feasibility of establishing a boxing pilot program in at least one of Hawaii's public high schools.

Your Committee received testimony in support of this measure from the State Boxing Commission of Hawaii, USA Boxing, Amateur Boxing of Hawaii, Kauai Police Activities League, and nine individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that boxing teaches children and young adults about hard work, physical fitness, dedication, and focus, all valuable skills that can be used throughout life.

Your Committee further finds that high schools in California, Colorado, Michigan, New York, and Ohio have successful boxing programs or clubs. Hawaii's students would likely benefit from having a program within the public school 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. 8 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 (Shimabukuro, Slom).

**SCRep. 1088 Education on S.C.R. No. 27**

The purpose and intent of this measure is to request the Department of Education to meet with interested parties to examine the feasibility of establishing a boxing pilot program in at least one of Hawaii's public high schools.

Your Committee received testimony in support of this measure from the State Boxing Commission of Hawaii, USA Boxing, Amateur Boxing of Hawaii, Kauai Police Activities League, and nine individuals. Your Committee received comments on this measure from the Department of Education.

Your Committee finds that boxing teaches children and young adults about hard work, physical fitness, dedication, and focus, all valuable skills that can be used throughout life.

Your Committee further finds that high schools in California, Colorado, Michigan, New York, and Ohio have successful boxing programs or clubs. Hawaii's students would likely benefit from having a program within the public school 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. 27 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 (Shimabukuro, Slom).

**SCRep. 1089 Education on S.R. No. 146**

The purpose and intent of this measure is to request the Board of Education, in consultation with the State Librarian, to explore the feasibility of activating a statewide library advisory commission.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System and one individual.

Your Committee finds that stakeholder input and involvement in the identification of strategic goals and priorities for the public library system allow for greater and more diversified types of uses of library facilities that are appropriate for each community.

Your Committee further finds that section 26-12, Hawaii Revised Statutes, gives the Board of Education the authority to establish a library advisory commission in each county to sit in an advisory capacity to the Board of Education on all matters relating to public library services in its respective county. This measure requests exploration of the feasibility of convening a similar body but on a statewide level.

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. 146 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 (Shimabukuro, Slom).

**SCRep. 1090 Education on S.C.R. No. 191**

The purpose and intent of this measure is to request the Board of Education, in consultation with the State Librarian, to explore the feasibility of activating a statewide library advisory commission.

Your Committee received testimony in support of this measure from the Hawaii State Public Library System and one individual.

Your Committee finds that stakeholder input and involvement in the identification of strategic goals and priorities for the public library system allow for greater and more diversified types of uses of library facilities that are appropriate for each community.

Your Committee further finds that section 26-12, Hawaii Revised Statutes, gives the Board of Education the authority to establish a library advisory commission in each county to sit in an advisory capacity to the Board of Education on all matters relating to public library services in its respective county. This measure requests exploration of the feasibility of convening a similar body but on a statewide level.

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. 191 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 (Shimabukuro, Slom).

**SCRep. 1091 Education on S.C.R. No. 109**

The purpose and intent of this measure is to request the Department of Education to support the creation of foreign language immersion classes in public elementary schools.

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 Education and one individual. Your Committee received comments on this measure from the Office of Hawaiian Affairs.

Your Committee finds that although foreign languages are offered in the State's public high schools, there are several benefits to teaching children a foreign language beginning in kindergarten. The Board of Education should explore the feasibility of establishing foreign language immersion classes starting in elementary school.

Your Committee has amended this measure by:

- (1) Requesting the Department of Education to consider, rather than support, the creation of foreign language immersion classes in public elementary schools; and

- (2) Changing its title accordingly to read: “REQUESTING THE DEPARTMENT OF EDUCATION TO CONSIDER THE CREATION OF FOREIGN LANGUAGE IMMERSION CLASSES IN PUBLIC ELEMENTARY SCHOOLS”.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 109, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 109, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1092 (Joint) Education and Tourism and Hawaiian Affairs on S.R. No. 107**

The purpose and intent of this measure is to request the Board of Education to create a coalition to address the issue of developing assessments required by the No Child Left Behind Act of 2001 in the Hawaiian language for Hawaiian language immersion students to more accurately measure their academic achievement.

Your Committees received testimony in support of this measure from the Department of Education, Office of Hawaiian Affairs, Hawaii State Teachers Association, Kamehameha Schools, and one individual.

Your Committees find that the Hawaiian language is one of the two official languages of the State and is a critical component of preserving the Hawaiian culture. Your Committees further find that the Board of Education has acknowledged that its Hawaiian language immersion program is an essential part of revitalizing and continuing the Hawaiian culture. To uphold its obligation to perpetuate the Hawaiian language, the Board and the Department of Education must provide Hawaiian language immersion program students with an assessment system that most accurately measures their academic achievement.

Your Committees note that it will be critical that the Department of Education request a waiver from the United States Department of Education from its requirement that there be only one uniform statewide assessment.

As this measure moves through the legislative process, your Committees note that there may be other persons or entities not currently identified that should receive certified copies of this measure.

Your Committees have amended this measure by:

- (1) Adding findings recognizing the efforts of the Hawaii Department of Education to develop a request for a waiver from the United States Department of Education from certain requirements of the No Child Left Behind Act of 2001;
- (2) Adding findings stressing the importance of the Hawaiian language as recognized in the Hawaii State Constitution;
- (3) Adding findings regarding the Native American Languages Act of 1990 and, among other things, the importance of Native American languages to their culture and identities;
- (4) Requesting that representatives from ‘Aha Pūnana Leo, rather than representatives from Hawaiian language immersion schools, be part of the coalition;
- (5) Adding language expressing the Legislature’s support of the Department of Education’s development of a request for a waiver to the United States Department of Education of certain requirements of the No Child Left Behind Act of 2001;
- (6) Adding language urging the United States Department of Education to approve the Hawaii Department of Education’s waiver request to allow for the most appropriate assessments and academic content standards for the Hawaiian language immersion program;
- (7) Amending its title to read: “REQUESTING THE BOARD OF EDUCATION, AS PART OF ITS DEVELOPMENT OF A COMPREHENSIVE HAWAIIAN STUDIES PROGRAM, TO CREATE A COALITION TO ADDRESS THE ISSUE OF DEVELOPING ASSESSMENTS IN THE HAWAIIAN LANGUAGE FOR HAWAIIAN LANGUAGE IMMERSION STUDENTS TO MORE ACCURATELY MEASURE THEIR ACADEMIC ACHIEVEMENT”; 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 Education and Tourism and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 107, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 107, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education

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

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Solomon).

**SCRep. 1093 (Joint) Education and Tourism and Hawaiian Affairs on S.C.R. No. 147**

The purpose and intent of this measure is to request the Board of Education to create a coalition to address the issue of developing assessments required by the No Child Left Behind Act of 2001 in the Hawaiian language for Hawaiian language immersion students to more accurately measure their academic achievement.

Your Committees received testimony in support of this measure from the Department of Education, Office of Hawaiian Affairs, Hawaii State Teachers Association, Kamehameha Schools, and one individual.

Your Committees find that the Hawaiian language is one of the two official languages of the State and is a critical component of preserving the Hawaiian culture. Your Committees further find that the Board of Education has acknowledged that its Hawaiian language immersion program is an essential part of revitalizing and continuing the Hawaiian culture. To uphold its obligation to perpetuate the Hawaiian language, the Board and the Department of Education must provide Hawaiian language immersion program students with an assessment system that most accurately measures their academic achievement.

Your Committees note that it will be critical that the Department of Education request a waiver from the United States Department of Education from its requirement that there be only one uniform statewide assessment.

As this measure moves through the legislative process, your Committees note that there may be other persons or entities not currently identified that should receive certified copies of this measure.

Your Committees have amended this measure by:

- (1) Adding findings recognizing the efforts of the Hawaii Department of Education to develop a request for a waiver from the United States Department of Education from certain requirements of the No Child Left Behind Act of 2001;
- (2) Adding findings stressing the importance of the Hawaiian language as recognized in the Hawaii State Constitution;
- (3) Adding findings regarding the Native American Languages Act of 1990 and, among other things, the importance of Native American languages to their culture and identities;
- (4) Requesting that representatives from 'Aha Pūnana Leo, rather than representatives from Hawaiian language immersion schools, be part of the coalition;
- (5) Adding language expressing the Legislature's support of the Department of Education's development of a request for a waiver to the United States Department of Education of certain requirements of the No Child Left Behind Act of 2001;
- (6) Adding language urging the United States Department of Education to approve the Hawaii Department of Education's waiver request to allow for the most appropriate assessments and academic content standards for the Hawaiian language immersion program;
- (7) Amending its title to read: "REQUESTING THE BOARD OF EDUCATION, AS PART OF ITS DEVELOPMENT OF A COMPREHENSIVE HAWAIIAN STUDIES PROGRAM, TO CREATE A COALITION TO ADDRESS THE ISSUE OF DEVELOPING ASSESSMENTS IN THE HAWAIIAN LANGUAGE FOR HAWAIIAN LANGUAGE IMMERSION STUDENTS TO MORE ACCURATELY MEASURE THEIR ACADEMIC ACHIEVEMENT"; 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 Education and Tourism and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 147, as amended herein, and recommend 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 Chairs on behalf of the Committees.

Education

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

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Solomon).

**SCRep. 1094 Ways and Means on H.B. No. 929**

The purpose and intent of this measure is to update the exemptions to the employment and training fund assessment to be commensurate with recent changes to the unemployment compensation fund contribution rates.

Your Committee received written testimony in support of the measure from the Department of Labor and Industrial Relations.

Your Committee finds that this measure would bring the exemptions to the employment and training fund assessment in line with the changes made to the maximum employer contribution rates to the unemployment compensation fund pursuant to Act 263, Session Laws of Hawaii 2012. This harmonization of the statutes will provide clarification as to which employers are exempt from the employment and training fund assessment.

Your Committee has amended this measure by changing the effective date to January 1, 2014, to allow application of the employment and training exemption for maximum rated employers under schedules A through H.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 929, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 929, 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, 3 (Dela Cruz, Keith-Agaran, Kouchi).

**SCRep. 1095 Ways and Means on H.B. No. 504**

The purpose and intent of this measure is to implement recommendations relating to the establishment and continuance of special and revolving funds, based upon a recent report by the Office of the Auditor, *Study of the Transfer of Non-General Funds to the General Fund*.

More specifically, this measure:

- (1) Clarifies the criteria to be used by the Auditor in analyzing proposed special or revolving funds;
- (2) Expands the Auditor's statutorily required periodic review of revolving funds and trust funds to include special funds and the funds of the Department of Transportation and the Department of Defense; and
- (3) Clarifies the criteria to be used by the Legislature in determining whether to establish or continue special or revolving funds.

Your Committee received testimony in support of this measure from the Department of Budget and Finance, the Office of the Auditor, the Land Use Research Foundation, and one individual. Your Committee received comments on this measure from the High Technology Development Corporation and the Tax Foundation of Hawaii.

Your Committee finds that this measure will enhance the Legislature's ability to make informed decisions regarding the need to establish or continue specified special, revolving, or trust funds.

Your Committee has amended this measure by:

- (1) Conforming the criteria to be used by the Legislature in determining whether to establish or continue special funds and revolving funds consistent with the criteria to be used by the Auditor in analyzing proposed new special funds or revolving funds;
- (2) Updating the beginning years of the review schedule;
- (3) Changing the effective date to June 30, 2013; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 504, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 504, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Espero).

**SCRep. 1096 (Joint) Human Services and Commerce and Consumer Protection on S.R. No. 112**

The purpose and intent of this measure is to urge consideration of Medicaid coverage for Hawaii residents with income between one hundred thirty-three percent and two hundred percent of the federal poverty level.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, AlohaCare, West Hawaii Community Health Center, Lanai Community Health Center, Community Alliance for Mental Health, Waikiki Health Center, and one individual. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that on July 1, 2012, individuals in Hawaii earning more than one hundred thirty-three percent of the federal poverty level were dropped from Medicaid coverage and left without health insurance. Individuals and families with incomes between one hundred thirty-three percent and two hundred percent of the federal poverty level, also known as the "gap group," are working poor and unlikely to afford the purchase of health insurance through the Hawaii Health Connector. Patients in the gap group often seek care at community health centers that provide fully integrated health care homes that include the array of preventive, medical, primary, dental, behavioral, social, and enabling services that are needed to attain favorable outcomes for patients with complex and interrelated medical and social challenges. The two predominant options for Hawaii to pursue in offering health care coverage for individuals earning more than one hundred thirty-three percent of the federal poverty level are expansion of Medicaid or the Hawaii Health Connector.

The Department of Human Services testified that by moving individuals out of the health insurance exchange and into a Medicaid expansion, the State would need \$30,900,000 per year in general funds and lose \$54,327,000 per year in federal funding.

Your Committees have amended this measure by inserting language to urge the Department of Human Services to consult with providers to find ways to bridge coverage and propose strategies to prevent "revolving doors" for support services.

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.R. No. 112, 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. 112, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Solomon, Slom).

**SCRep. 1097 (Joint) Human Services and Commerce and Consumer Protection on S.C.R. No. 153**

The purpose and intent of this measure is to urge consideration of Medicaid coverage for Hawaii residents with income between one hundred thirty-three percent and two hundred percent of the federal poverty level.

Your Committees received testimony in support of this measure from the Hawaii Primary Care Association, AlohaCare, West Hawaii Community Health Center, Lanai Community Health Center, Community Alliance for Mental Health, Waikiki Health Center, and one individual. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that on July 1, 2012, individuals in Hawaii earning more than one hundred thirty-three percent of the federal poverty level were dropped from Medicaid coverage and left without health insurance. Individuals and families with incomes between one hundred thirty-three percent and two hundred percent of the federal poverty level, also known as the “gap group,” are working poor and unlikely to afford the purchase of health insurance through the Hawaii Health Connector. Patients in the gap group often seek care at community health centers that provide fully integrated health care homes that include the array of preventive, medical, primary, dental, behavioral, social, and enabling services that are needed to attain favorable outcomes for patients with complex and interrelated medical and social challenges. The two predominant options for Hawaii to pursue in offering health care coverage for individuals earning more than one hundred thirty-three percent of the federal poverty level are expansion of Medicaid or the Hawaii Health Connector.

The Department of Human Services testified that by moving individuals out of the health insurance exchange and into a Medicaid expansion, the State would need \$30,900,000 per year in general funds and lose \$54,327,000 per year in federal funding.

Your Committees have amended this measure by inserting language to urge the Department of Human Services to consult with providers to find ways to bridge coverage and propose strategies to prevent “revolving doors” for support services.

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. 153, 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. 153, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Solomon, Slom).

**SCRep. 1098 (Joint) Human Services and Tourism and Hawaiian Affairs on S.C.R. No. 11**

The purpose and intent of this measure is to approve the sale of the leased fee interest in 643 Papahehi Place, Honolulu, Hawaii, pursuant to section 171-64.7, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that the home on 643 Papahehi Place, Honolulu, Hawaii, was built in 1980 as part of the Kauhale Aupuni O Kuliouou affordable for-sale development, in which all lessees had the contractual right to purchase the leased fee interest in their homes. The Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of this parcel.

As affirmed by the records of votes of the members of your Committees on Human Services and Tourism and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 11 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

**SCRep. 1099 (Joint) Human Services and Tourism and Hawaiian Affairs on S.C.R. No. 12**

The purpose and intent of this measure is to approve the sale of the leased fee interest in 95-011 Kuahelani Avenue, No. 111, Mililani, Hawaii, pursuant to section 171-64.7, Hawaii Revised Statutes.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that the home on 95-011 Kuahelani Avenue, No. 111, Mililani, Hawaii, was built in 1975 as part of the Nahoia Apartments condominium. The Hawaii Housing Finance and Development Corporation has met all statutory prerequisites to request approval of the sale of this parcel.

As affirmed by the records of votes of the members of your Committees on Human Services and Tourism and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 12 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

**SCRep. 1100 Commerce and Consumer Protection on S.R. No. 91**

The purpose and intent of this measure is to request the Insurance Commissioner to create a working group to study insurance recoupment.

Your Committee received testimony in support of this measure from seven individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and Hawaii Association of Health Plans.

Your Committee finds that insurance recoupment occurs when a health insurance plan pays benefits to providers and later seeks reimbursement for the benefits, after the health insurance plan determines that the benefits were paid out in error. Although health care providers in Hawaii have a time limit in which to submit claims to health insurance plans, there is no similar time limit that prevents health insurance plans from attempting to recoup funds previously paid to health care providers.

Your Committee further finds that thirty states and the District of Columbia have passed legislation limiting the time during which a health insurance plan may take money back for services that have already been provided. Time limits for insurance recoupment in these jurisdictions are between six months to sixty months, with the average time frame ranging from twelve to twenty-four months.

Your Committee additionally finds that assessing the issues surrounding insurance recoupment is paramount to maintaining a robust and sustainable health care system. The working group created by this measure would study the establishment of a time limit to initiate any recoupment and review how other states mandate recoupment. This will help to increase quality of care and reduce health care costs.

Your Committee notes that although the findings of this measure focus on Medicaid reimbursement, the relevant issues related to insurance recoupment affect all health insurance plans in Hawaii. Therefore, amendments to the findings in this measure are necessary to clarify the overall issues related to insurance recoupment, rather than focusing on insurance recoupment relative to Medicaid reimbursement.

Accordingly, your Committee has amended this measure by:

- (1) Amending the legislative findings so that they relate to insurance recoupment by health insurance plans, rather than focusing on insurance recoupment relative to Medicaid reimbursement;
- (2) Amending the membership of the working group and the list of agencies receiving a certified copy of this measure; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 91, 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. 91, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1101 Commerce and Consumer Protection on S.C.R. No. 129**

The purpose and intent of this measure is to request the Insurance Commissioner to create a working group to study insurance recoupment.

Your Committee received testimony in support of this measure from seven individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and Hawaii Association of Health Plans.

Your Committee finds that insurance recoupment occurs when a health insurance plan pays benefits to providers and later seeks reimbursement for the benefits, after the health insurance plan determines that the benefits were paid out in error. Although health care providers in Hawaii have a time limit in which to submit claims to health insurance plans, there is no similar time limit that prevents health insurance plans from attempting to recoup funds previously paid to health care providers.

Your Committee further finds that thirty states and the District of Columbia have passed legislation limiting the time during which a health insurance plan may take money back for services that have already been provided. Time limits for insurance recoupment in these jurisdictions are between six months to sixty months, with the average time frame ranging from twelve to twenty-four months.

Your Committee additionally finds that assessing the issues surrounding insurance recoupment is paramount to maintaining a robust and sustainable health care system. The working group created by this measure would study the establishment of a time limit to initiate any recoupment and review how other states mandate recoupment. This will help to increase quality of care and reduce health care costs.

Your Committee notes that although the findings of this measure focus on Medicaid reimbursement, the relevant issues related to insurance recoupment affect all health insurance plans in Hawaii. Therefore, amendments to the findings in this measure are necessary to clarify the overall issues related to insurance recoupment, rather than focusing on insurance recoupment relative to Medicaid reimbursement.

Accordingly, your Committee has amended this measure by:

- (1) Amending the legislative findings so that they relate to insurance recoupment by health insurance plans, rather than focusing on insurance recoupment relative to Medicaid reimbursement;
- (2) Amending the membership of the working group and the list of agencies receiving a certified copy of this measure; and



- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 129, 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. 129, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1102 Economic Development, Government Operations and Housing on S.R. No. 131**

The purpose and intent of this measure is to urge the Department of Business, Economic Development, and Tourism to explore the possibility of retaining a new EB-5 Immigrant Investor program manager for the Hawaii Regional Center, or, in the alternative, to sell or transfer the EB-5 Immigrant Investor License.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that under the federal EB-5 Immigrant Investor program established in 1990, a Regional Center licensed by the U.S. Citizenship and Immigration Service may receive funds as a loan from foreign investors interested in obtaining a U.S. immigrant visa. The Regional Center invests the funds in new commercial enterprises that create or preserve jobs. In return, the foreign investor and his or her family receives conditional permanent residence under a U.S. EB-5 immigrant visa, which may later be adjusted to permanent status.

The Department of Business, Economic Development, and Tourism stated in written testimony that it has notified the U.S. Citizenship and Immigration Service that the Department's relationship with its present Hawaii Regional Center manager will expire in April of 2013; has inquired whether the Department must renew its Regional Center designation if it changes its program manager; and has inquired whether the Hawaii Regional Center license may be transferred or sold.

Your Committee finds that this measure can help increase the productivity of the Hawaii Regional Center and benefit the State by determining if a new program manager could increase the number of foreign investors participating in the program, reduce the Hawaii Regional Center's costs of administration, or improve on investment decisions.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 131 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, 1 (English).

**SCRep. 1103 Economic Development, Government Operations and Housing on S.C.R. No. 175**

The purpose and intent of this measure is to urge the Department of Business, Economic Development, and Tourism to explore the possibility of retaining a new EB-5 Immigrant Investor program manager for the Hawaii Regional Center, or, in the alternative, to sell or transfer the EB-5 Immigrant Investor License.

Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that under the federal EB-5 Immigrant Investor program established in 1990, a Regional Center licensed by the U.S. Citizenship and Immigration Service may receive funds as a loan from foreign investors interested in obtaining a U.S. immigrant visa. The Regional Center invests the funds in new commercial enterprises that create or preserve jobs. In return, the foreign investor and his or her family receives conditional permanent residence under a U.S. EB-5 immigrant visa, which may later be adjusted to permanent status.

The Department of Business, Economic Development, and Tourism stated in written testimony that it has notified the U.S. Citizenship and Immigration Service that the Department's relationship with its present Hawaii Regional Center manager will expire in April of 2013; has inquired whether the Department must renew its Regional Center designation if it changes its program manager; and has inquired whether the Hawaii Regional Center license may be transferred or sold.

Your Committee finds that this measure can help increase the productivity of the Hawaii Regional Center and benefit the State by determining if a new program manager could increase the number of foreign investors participating in the program, reduce the Hawaii Regional Center's costs of administration, or improve on investment decisions.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 175 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, 1 (English).

**SCRep. 1104 Economic Development, Government Operations and Housing on S.R. No. 135**

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to establish a committee to:

- (1) Investigate the feasibility of hosting the Olympic Games in Hawaii;
- (2) Identify a potential city within the State to host the Olympic Games;
- (3) Develop and submit a proposal to the International Olympic Committee for Hawaii to host the 2024 Olympic Games; and

- (4) Report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 2014 Regular Session.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee notes that the Department of Business, Economic Development, and Tourism stated that it does not have the resources to conduct a study of the feasibility of hosting the Olympic games, identify a potential city within the State to host the Olympic Games, and prepare a proposal and application. The Department conservatively estimates it would require \$750,000 to fulfill this request. However, your Committee finds that hosting the Olympic Games in Hawaii may confer considerable benefits upon the State, including international prestige; increased employment; infrastructure modernization; new business opportunities; advertising revenues; and an increase in tourism. Your Committee believes that the study requested by this measure will be useful in determining the likelihood of achieving the foregoing benefits, the costs involved, and the net impact that hosting the Olympic Games would have on Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 135 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (English).

**SCRep. 1105 Economic Development, Government Operations and Housing on S.C.R. No. 179**

The purpose and intent of this measure is to request the Department of Business, Economic Development, and Tourism to establish a committee to:

- (1) Investigate the feasibility of hosting the Olympic Games in Hawaii;
- (2) Identify a potential city within the State to host the Olympic Games;
- (3) Develop and submit a proposal to the International Olympic Committee for Hawaii to host the 2024 Olympic Games; and
- (4) Report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the 2014 Regular Session.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee notes that the Department of Business, Economic Development, and Tourism stated that it does not have the resources to conduct a study of the feasibility of hosting the Olympic games, identify a potential city within the State to host the Olympic Games, and prepare a proposal and application. The Department conservatively estimates it would require \$750,000 to fulfill this request. However, your Committee finds that hosting the Olympic Games in Hawaii may confer considerable benefits upon the State, including international prestige; increased employment; infrastructure modernization; new business opportunities; advertising revenues; and an increase in tourism. Your Committee believes that the study requested by this measure will be useful in determining the likelihood of achieving the foregoing benefits, the costs involved, and the net impact that hosting the Olympic Games would have on Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 179 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, 1 (English).

**SCRep. 1106 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 523 and 618**

Recommending that the Senate advise and consent to the nominations of the following:

ENHANCED 911 BOARD

G.M. No. 523 RYAN FREITAS, for a term to expire 6-30-2016; and

G.M. No. 618 DAVE KAJIHIRO, for a term to expire 6-30-2015

RYAN FREITAS

Your Committee received testimony in support of Ryan Freitas from the Department of Accounting and General Services and seven individuals.

The nominee is the Director of Network Reliability of Hawaiian Telecom, Inc., and has worked in a managerial capacity for that company since 2005. Mr. Freitas has thirteen years of experience in telecommunications, including five years of experience operating 911 networks on Hawaii. Mr. Freitas has been serving as an interim Enhanced 911 board member since October of 2012. Mr. Freitas has also worked for Verizon Wireless.

Mr. Freitas received a Bachelor of Arts degree from the University of Puget Sound, and a Master of Business Administration degree from the University of Hawaii. Mr. Freitas is a member of Delta Mu Delta (National Business Honor Society), St. Louis Alumni Association, Young Business Council of Honolulu, Puget Sound Alumni Association, Easter Seals Hawaii, and American Cancer Society.

DAVE KAJIHIRO

Your Committee received testimony in support of Dave Kajihiro from the Department of Accounting and General Services and nine individuals.

The nominee has served as a police officer with the Honolulu Police Department for twenty-eight years. He is presently serving as the Department's Deputy Chief of Police for Administrative Operations. He has also supervised the Department's Telecommunications Systems Section and Information Technology Division. For the past three years, Mr. Kajihiro's duties have included the oversight of the Department's Communications Division, which serves as the primary public safety answering point for approximately seventy-eight percent of all 911 calls statewide.

Mr. Kajihiro received a Bachelor of Arts degree in Communications from the University of Hawaii at Manoa. He is also a graduate of the National Academy of the Federal Bureau of Investigation. Mr. Kajihiro has been serving as an interim member of the Enhanced 911 Board since October of 2012, and is a member of the Governor's Commission on Crime; Joint Traffic Management Center Executive Committee; Juvenile Justice Information System Committee; and Law Enforcement Information Exchange Board. He is also a member of the International Association of Chiefs of Police; Police Chiefs of Hawaii Association; and Law Enforcement Coalition.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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 (Baker, Chun Oakland, Wakai).

**SCRep. 1107 Tourism and Hawaiian Affairs on Gov. Msg. No. 585**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE HAWAII TOURISM AUTHORITY

G.M. No. 585 L. RICHARD FRIED, JR., for a term to expire 6-30-2014

Your Committee received testimony in support of L. Richard Fried, Jr., from Cronin, Fried, Sekiya, Kekina & Fairbanks, Attorneys at Law; Alston, Hunt, Floyd & Ing Lawyers; Chairman of the Board of the Hawaii Tourism Authority; and one individual.

After receiving his Bachelor of Science and Juris Doctorate degrees from the University of Arizona, Mr. Fried became a distinguished and successful personal injury attorney in Hawaii. He is currently a partner at Cronin, Fried, Sekiya, Kekina & Fairbanks, Attorneys at Law, Hawaii's largest personal injury law firm. He is a retired United States Air Force Reserve Lieutenant Colonel and served as a Deputy Liaison Officer Commander for the United States Air Force Academy. He has served on the boards of numerous organizations including the Honolulu Symphony, Hawaii Theatre Center, Shriners Hospital for Children Campaign Steering Committee, the American Civil Liberties Union Lawyers Division, and numerous law organizations.

As an interim member to the Hawaii Tourism Authority Board of Directors, Mr. Fried has proven to be an active and conscientious member of the Board with significant insight and experience into issues relating to tourism. Accordingly, your Committee finds that Mr. Fried possesses the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Hawaii Tourism Authority Board of Directors.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Shimabukuro, Solomon, Slom).

**SCRep. 1108 Commerce and Consumer Protection on S.C.R. No. 28**

The purpose and intent of this measure is to request the Public Utilities Commission to report to the Legislature on the progress in implementing the recommendations of the Reliability Standards Working Group.

Your Committee received testimony in support of this measure from the Public Utilities Commission.

Your Committee finds that significant resources have been invested by the Public Utilities Commission, the Consumer Advocate, the State's electric utility companies, and other interested stakeholders to produce recommendations via the Reliability Standards Working Group to increase the penetration of variable generation on the electric grid while maintaining reliability.

Your Committee further finds that the Reliability Standards Working Group, through the Public Utilities Commission's docket process, has recently completed its work and has produced a number of work products, including recommendations on how to increase distributed generation integration and maintain system reliability. The Public Utilities Commission plans to review and implement the appropriate portions of the Reliability Standards Working Group's work product and recommendations in various Commission proceedings. This measure therefore requests the Public Utilities Commission to report to the Legislature on the progress in implementing these recommendations.

As affirmed 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. 28, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1109 (Joint/Majority) Transportation and International Affairs and Energy and Environment on S.R. No. 144**

The purpose and intent of this measure is to request the Department of Transportation to adopt rules to encourage taxis to use high efficiency vehicles, including hybrid electric vehicles, at Honolulu International Airport.

Your Committees received testimony in support of this measure from EcoCab and three individuals. Your Committees received testimony in opposition to this measure from Charley's Taxi and Limousine. Your Committees received comments on this measure from the Department of Transportation and one individual.

The State of Hawai'i and the United States Department of Energy established the Hawai'i Clean Energy Initiative, designed to accelerate the transformation of Hawai'i into one of the world's first economies based primarily on clean energy resources. The Hawai'i Clean Energy Initiative's stated goal is to achieve seventy percent clean energy by 2030, with thirty percent from efficiency measures, and forty percent from locally generated renewable sources. The Hawai'i Clean Energy Initiative recognizes that transportation accounts for more than sixty percent of the energy consumed in Hawai'i.

SustainableHNL is the first airport sustainability initiative and pilot for the airport system sustainability program of the Department of Transportation Airport Division. The Airport Division has found that ground access vehicles, including public passenger vehicles and taxis, and other forms of non-renewable fossil fuel based transportation that travel between Honolulu International Airport and the rest of Oahu account for approximately 18,182 million metric tons of carbon dioxide equivalent (mtCO<sub>2e</sub>), or 21.58 percent, of Honolulu International Airport's total emissions of carbon.

Other jurisdictions such as the City of San Francisco with 1,500 taxis have similarly found that the taxi industry is a major user of non-renewable fossil fuels and a major emitter of carbon dioxide, emitting 75,000 mtCO<sub>2e</sub> per year. In 1999, San Francisco initiated policies and regulations, including subsidies and priority at airport taxi stands, to increase the use of high efficiency vehicles by the taxi industry. San Francisco has reported that as of March 2012, ninety percent of its taxi fleet consisted of clean cabs (eighty-five percent hybrid electric vehicles and five percent compressed natural gas), resulting in an annual greenhouse gas reduction of 35,000 mtCO<sub>2e</sub>.

San Diego International Airport in 2011 launched an airport clean cab program of subsidies and priority at airport taxi stands that resulted in a thirty percent adoption rate of hybrid electric vehicles (117 hybrid electric vehicle cabs) among all cabs serving the airport in just ten months, resulting in an annual greenhouse gas reduction of 2,736 mtCO<sub>2e</sub>, with each hybrid electric vehicle producing sixty-two percent less greenhouse gas than the typical airport taxi vehicle, a 2008 Ford Crown Victoria.

Your Committees find that, given the success of other jurisdictions in reducing the emission of carbon dioxide through initiatives to increase the use of high efficiency taxis, Hawaii should strive to achieve similar reductions through incentives for the use of high efficiency vehicles as taxis.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 144, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 144, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 5; Ayes with Reservations (Kahele, Keith-Agaran). Noes, 1 (Slom). Excused, 3 (English, Kouchi, Solomon).

Energy and Environment

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Chun Oakland, Ihara).

**SCRep. 1110 (Joint/Majority) Transportation and International Affairs and Energy and Environment on S.C.R. No. 189**

The purpose and intent of this measure is to request the Department of Transportation to adopt rules to encourage taxis to use high efficiency vehicles, including hybrid electric vehicles, at Honolulu International Airport.

Your Committees received testimony in support of this measure from EcoCab and three individuals. Your Committees received testimony in opposition to this measure from Charley's Taxi and Limousine. Your Committees received comments on this measure from the Department of Transportation and one individual.

The State of Hawai'i and the United States Department of Energy established the Hawai'i Clean Energy Initiative, designed to accelerate the transformation of Hawai'i into one of the world's first economies based primarily on clean energy resources. The Hawai'i Clean Energy Initiative's stated goal is to achieve seventy percent clean energy by 2030, with thirty percent from efficiency measures, and forty percent from locally generated renewable sources. The Hawai'i Clean Energy Initiative recognizes that transportation accounts for more than sixty percent of the energy consumed in Hawai'i.

SustainableHNL is the first airport sustainability initiative and pilot for the airport system sustainability program of the Department of Transportation Airport Division. The Airport Division has found that ground access vehicles, including public passenger vehicles and taxis, and other forms of non-renewable fossil fuel based transportation that travel between Honolulu International Airport and the rest of Oahu account for approximately 18,182 million metric tons of carbon dioxide equivalent (mtCO<sub>2e</sub>), or 21.58 percent, of Honolulu International Airport's total emissions of carbon.

Other jurisdictions such as the City of San Francisco with 1,500 taxis have similarly found that the taxi industry is a major user of non-renewable fossil fuels and a major emitter of carbon dioxide, emitting 75,000 mtCO<sub>2e</sub> per year. In 1999, San Francisco initiated policies and regulations, including subsidies and priority at airport taxi stands, to increase the use of high efficiency vehicles by the taxi industry. San Francisco has reported that as of March 2012, ninety percent of its taxi fleet consisted of clean cabs (eighty-five percent hybrid electric vehicles and five percent compressed natural gas), resulting in an annual greenhouse gas reduction of 35,000 mtCO<sub>2e</sub>.

San Diego International Airport in 2011 launched an airport clean cab program of subsidies and priority at airport taxi stands that resulted in a thirty percent adoption rate of hybrid electric vehicles (117 hybrid electric vehicle cabs) among all cabs serving the airport in just ten months, resulting in an annual greenhouse gas reduction of 2,736 mtCO<sub>2e</sub>, with each hybrid electric vehicle producing sixty-two percent less greenhouse gas than the typical airport taxi vehicle, a 2008 Ford Crown Victoria.

Your Committees find that, given the success of other jurisdictions in reducing the emission of carbon dioxide through initiatives to increase the use of high efficiency taxis, Hawaii should strive to achieve similar reductions through incentives for the use of high efficiency vehicles as taxis.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Energy and Environment that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 189, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 189, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs

Ayes, 5; Ayes with Reservations (Kahele, Keith-Agaran). Noes, 1 (Slom). Excused, 3 (English, Kouchi, Solomon).

Energy and Environment

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Chun Oakland, Ihara).

**SCRep. 1111 Commerce and Consumer Protection on S.R. No. 53**

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the Hawaii Psychological Association to develop draft legislation establishing, implementing, and monitoring continuing education requirements for all licensed psychologists in Hawaii.

Your Committee received testimony in support of this measure from the Board of Psychology, Hawai'i Psychological Association, and three individuals.

Your Committee finds that the field of psychology is constantly transforming and developing. In an age of ever-growing accountability, psychologists have an obligation to consumers and fellow psychologists to be current with the knowledge in their field and any applicable specialties.

Your Committee further finds that Hawaii is one of only six states that do not require continuing education requirements for psychologists. Mandating continuing education for licensed psychologists is an essential way to promote client and patient safety and support the valuable role psychologists contribute to the health care system, by requiring licensed psychologists to keep abreast of new knowledge, skills, and relevant information.

Your Committee has amended this measure by urging the Department of Commerce and Consumer Affairs and Hawaii Psychological Association to use the Professional and Vocational Licensing Division's Continuing Professional Education Guidelines Checklist as the framework for collaboration and discussion on continuing education requirements for licensed psychologists 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 concurs with the intent and purpose of S.R. No. 53, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 53, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1112 Commerce and Consumer Protection on S.C.R. No. 87**

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the Hawaii Psychological Association to develop draft legislation establishing, implementing, and monitoring continuing education requirements for all licensed psychologists in Hawaii.

Your Committee received testimony in support of this measure from the Board of Psychology, Hawai'i Psychological Association, and three individuals.

Your Committee finds that the field of psychology is constantly transforming and developing. In an age of ever-growing accountability, psychologists have an obligation to consumers and fellow psychologists to be current with the knowledge in their field and any applicable specialties.

Your Committee further finds that Hawaii is one of only six states that do not require continuing education requirements for psychologists. Mandating continuing education for licensed psychologists is an essential way to promote client and patient safety and support the valuable role psychologists contribute to the health care system, by requiring licensed psychologists to keep abreast of new knowledge, skills, and relevant information.

Your Committee has amended this measure by urging the Department of Commerce and Consumer Affairs and Hawaii Psychological Association to use the Professional and Vocational Licensing Division's Continuing Professional Education Guidelines Checklist as the framework for collaboration and discussion on continuing education requirements for licensed psychologists 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 concurs with the intent and purpose of S.C.R. No. 87, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 87, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1113 Ways and Means on H.B. No. 872**

The purpose and intent of this measure is to make an emergency appropriation out of the nursing facility sustainability program special fund.

More specifically, this measure makes an emergency appropriation of \$12,000,000 out of the nursing facility sustainability program special fund for fiscal year 2012-2013, to be used for the purposes of the special fund, including reimbursement of moneys advanced from the health care payments program.

Your Committee received written comments in support of this measure from the Department of Human Services and the Healthcare Association of Hawaii.

Your Committee finds that the nursing facility sustainability program special fund was established by Act 156, Session Laws of Hawaii 2012, to help fund increasing health care costs for Medicaid enrollees in private nursing facilities. However, because of a technical omission, moneys in the special fund could not be expended as intended. Instead, moneys from the health care payments program were used to make supplemental payments to nursing facilities to prevent delay of payments to those facilities. Accordingly, your Committee finds that this emergency appropriation is necessary to reimburse the moneys advanced from the health care payments program and to continue timely supplemental payments to nursing facilities from the nursing facility sustainability program special fund for the rest of the fiscal year. This measure will prevent any disruptions in the provision of medically necessary services to Medicaid 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. 872, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1114 (Majority) Ways and Means on H.B. No. 868**

The purpose and intent of this measure is to eliminate the asset limit for participants in the Temporary Assistance For Needy Families program (TANF).

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Appleseed Center for Law and Economic Justice, Catholic Charities Hawaii, Community Alliance for Mental Health, Legal Aid Society of Hawaii, and one individual.

Your Committee finds that elimination of the TANF asset limit will reduce administrative burdens and will have minimal effect on caseload and benefit costs because few applicants and current recipients have substantial resources or assets.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 868, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (Kahele, Thielen).

**SCRep. 1115 Ways and Means on H.B. No. 879**

The purpose and intent of this measure is to increase the sustainability of private hospitals in the State.

More specifically, this measure:

- (1) Extends the sunset date of the Hospital Sustainability Program for another year, to June 30, 2014;
- (2) Adjusts fiscal year references and the disposition of revenues from the hospital sustainability program special fund; and
- (3) Appropriates funds out of the hospital sustainability program special fund.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Pacific Health, Healthcare Association of Hawaii, and the United Public Workers.

Your Committee finds that extending the Hospital Sustainability Program will enable the Department of Human Services to continue making supplemental payments to hospitals in order to assist the hospitals in offsetting their costs of uncompensated care and thereby increasing their sustainability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 879, 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, 2 (Kahele, Thielen).

**SCRep. 1116 Ways and Means on H.B. No. 224**

The purpose and intent of this measure is to require the Department of Education Hawaiian Language Immersion Program to develop annual assessments in the Hawaiian language.

More specifically, this measure requires the Hawaiian Immersion Language Program to develop language arts, mathematics, and science annual assessments, for students in grades three through six, who are enrolled in the program.

Your Committee received written comments in support of this measure from the Department of Education, Aha Opio No Ke Kula Kaiapuni O Anuenue, and ten individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that the Hawaiian language is a critical component of the heritage of the State of Hawaii and that the State has an interest in perpetuating the learning of the Hawaiian language. Currently, students in the Hawaiian Language Immersion Program take mandatory assessments that are translated from English to Hawaiian. Because of the nature of translated documents, these assessments have grammatical errors and inconsistent terminology, making it difficult to determine whether the results of these assessments are accurate depictions of the students' actual knowledge. Your Committee finds that it is in the interest of the State to develop specialized assessments for the students in the Hawaiian Language Immersion Program in order to accurately gauge the students' academic progress and determine whether the students are meeting academic standards.

Your Committee has amended this measure by:

- (1) Redesignating the proposed statutory language as a new section in chapter 302A, part II, subpart A, rather than creating a new chapter;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 224, 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. 224, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Kahele, Kouchi, Thielen).

**SCRep. 1117 Ways and Means on H.B. No. 407**

The purpose and intent of this measure is to appropriate funds to enable the comprehensive breast and cervical cancer control program to continue to provide services.

Your Committee received written comments in support of this measure from the American Cancer Society Cancer Action Network and Hawaii Pacific Health.

Your Committee finds that the comprehensive breast and cervical control program provides invaluable services to women in the State. This measure will permit the program to continue to conduct outreach activities relating to breast and cervical cancer and provide screening and treatment as necessary for women in the State.

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. 407, 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. 407, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1118 Ways and Means on H.B. No. 424**

The purpose and intent of this measure is to authorize the Governor to appoint commissioners of deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to time shares.

This measure also:

- (1) Requires commissioners of deeds to provide a written notice to each person whose signature is witnessed or acknowledged by the commissioner; and
- (2) Establishes bonding requirements, penalties, and liabilities for commissioners of deeds.

Your Committee received written comments in support of this measure from Disney Vacation Development, Inc., and SVO Pacific, Inc.

Your Committee finds that deeds of time share interests in Hawaii time share plans are required to be notarized in order to be recordable. Your Committee further finds that this requirement can be difficult to satisfy in jurisdictions outside of the United States in which notaries public are not common. Your Committee believes that, by authorizing the Governor to appoint commissioners of deeds, this measure will help streamline the process for consumers located outside of the United States who wish to purchase time share property in Hawaii.

Your Committee has amended this measure by:

- (1) Appropriating unspecified funds for expenses incurred by the Office of the Lieutenant Governor related to commissioners of deeds;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 424, 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. 424, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1119 Ways and Means on H.B. No. 519**

The purpose and intent of this measure is to appropriate funds to the Department of Human Services to administer Housing First programs for homeless individuals.

Your Committee received written comments in support of this measure from the Department of Human Services, Hawaii Appleseed Center for Law and Economic Justice, Catholic Charities Hawaii, Community Alliance for Mental Health, Partners in Care, Institute for Human Services, Inc., and one individual.

Your Committee finds that homelessness is a systemic problem in the State and that Housing First programs provide housing and support services for chronically homeless individuals. Accordingly, your Committee finds that this measure would support programs that provide services and protections to the homeless population 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 H.B. No. 519, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 519, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1120 Ways and Means on H.B. No. 880**

The purpose and intent of this measure is to extend the Nursing Facility Sustainability Program.

More specifically, this measure:

- (1) Extends the repeal date of the Nursing Facility Sustainability Program to June 30, 2014; and
- (2) Appropriates \$12,000,000 out of the nursing facility sustainability program special fund to be used for purposes consistent with the special fund.

Your Committee received written comments in support of this measure from the Department of Human Services and the Healthcare Association of Hawaii.

Your Committee finds that the Nursing Facility Sustainability Program supports long-term care facilities in the State by leveraging available federal funding for the Department of Human Services to make supplemental payments to nursing facilities to help offset their uncompensated care costs. Extending the Nursing Facility Sustainability Program for another year ensures the availability of the services provided by long-term care facilities in the State.

Your Committee has amended this measure by providing that section 4 of the Act which appropriates moneys from the Nursing Facility Sustainability Program special fund, is effective on July 1, 2013, to coincide with the beginning of the 2013-2014 fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 880, 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. 880, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1121 Ways and Means on H.B. No. 653**

The purpose and intent of this measure is to improve public health, safety, and welfare.

More specifically, this measure authorizes the issuance of special purpose revenue bonds to assist Hawaii Pacific Health with the construction or renovation of health care facilities.

Your Committee received written comments in support of this measure from Hawaii Pacific Health.

Your Committee received written comments on this measure from the Department of Budget and Finance.



Your Committee finds that Hawaii Pacific Health provides health care services at four hospitals and forty-nine outpatient clinics and service sites throughout the State. This measure would allow Hawaii Pacific Health to continue to provide more cost-effective services to the public by expanding its facilities and purchasing additional equipment.

Your Committee has amended this measure by:

- (1) Changing the total amount of bonds authorized to be issued from an unspecified amount to \$175,000,000; 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 is in accord with the intent and purpose of H.B. No. 653, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 653, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1122 Ways and Means on H.B. No. 1375**

The purpose and intent of this measure is to require the financial assistance advisory council to assist the Department of Human Services in restructuring the welfare payment systems.

More specifically, this measure requires the financial assistance advisory council to:

- (1) Revise the welfare payment structure to incentivize recipients to seek higher paying jobs without losing welfare benefits;
- (2) Explore other possible methods to incentivize welfare recipients to achieve financial self-sufficiency; and
- (3) Submit a report of findings and recommendations to the Legislature.

Your Committee received written comments in support of this measure from the Department of Human Services and one individual.

Your Committee finds that the current welfare payment structure provides a strong disincentive for welfare recipients to seek higher paying jobs because of the fear of losing their beneficiary status, thus perpetuating their financial dependence on the welfare system. A restructuring of the current welfare payment system would enable more people to slowly gain financial independence without losing their beneficiary status and encourage recipients to strive for higher paying employment.

Your Committee has amended this measure by:

- (1) Changing the term “qualifying recipient” to “recipient” for consistency;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1375, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1375, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Sлом). Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1123 (Joint/Majority) Human Services and Commerce and Consumer Protection on S.C.R. No. 65**

The purpose and intent of this measure is to request the Auditor to assess the social and financial impacts of requiring health insurers to offer coverage for hearing aids.

Your Committees received testimony in support of this measure from the Disability and Communication Access Board and one individual.

Your Committees find that according to the National Institutes of Health, an estimated one-third of Americans between the ages of sixty-five and seventy-five and around one-half of those older than seventy-five have some degree of hearing loss. In addition, a 2005 study by the Better Hearing Institute estimated that untreated hearing loss resulted in a loss of income per household of up to \$12,000 per year.

Your Committees further find that according to the Lions Club, the cost of a custom low- to mid-level analog or digital hearing aid begins around \$2,000 or less and around \$3,000 and higher for a high-end hearing aid. Medicare and most private insurance companies do not cover the cost of hearing aids through their base health care coverage. As a result, it is not unusual for people with hearing loss to choose not to purchase hearing aids because these expensive devices are not covered by insurance. Your Committees recognize that some plans do offer limited coverage on hearing aids, but because of the costs and frequency of hearing aid replacement, expanded coverage needs to be further investigated.

Your Committees have amended this measure by inserting the appropriate Senate Bill number referenced in the measure.

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. 65, 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. 65, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 2. Noes, 1 (Slom). Excused, 2 (Green, Taniguchi).

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Solomon, Slom).

**SCRep. 1124 (Joint) Technology and the Arts and Commerce and Consumer Protection on S.R. No. 116**

The purpose and intent of this measure is to request the Insurance Commissioner to convene a working group composed of the Insurance Commissioner and representatives from the Commission to Promote Uniform Legislation, Property Casualty Insurers Association of America, Hawaii Insurers Council, and State Farm Insurance Company to explore the use of electronic transmission of insurance notices and documents and the potential increase to Hawaii's minimum liability coverage for motor vehicle insurance.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, State Farm Mutual Automobile Insurance Company, and Property Casualty Insurers Association of America. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice and Hawaii Insurers Council.

Your Committees find that insurance notices and documents are currently required to be in writing, even though consumers increasingly show preferences for electronic access to their records in lieu of receiving paper mailings. Your Committees further find that many Hawaii residents would prefer to conduct business using electronic communications and should have the opportunity to opt in to that means of communication with their insurers.

Your Committees have amended this measure by:

- (1) Removing references to minimum liability coverage for motor vehicle insurance;
- (2) Amending the title of this measure to remove the reference to minimum liability coverage for motor vehicle insurance accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 116, 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. 116, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Commerce and Consumer Protection

Ayes, 5; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1125 (Joint) Technology and the Arts and Commerce and Consumer Protection on S.C.R. No. 159**

The purpose and intent of this measure is to request the Insurance Commissioner to convene a working group composed of the Insurance Commissioner and representatives from the Commission to Promote Uniform Legislation, Property Casualty Insurers Association of America, Hawaii Insurers Council, and State Farm Insurance Company to explore the use of electronic transmission of insurance notices and documents and the potential increase to Hawaii's minimum liability coverage for motor vehicle insurance.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, State Farm Mutual Automobile Insurance Company, and Property Casualty Insurers Association of America. Your Committees received testimony in opposition to this measure from the Hawaii Association for Justice and Hawaii Insurers Council.

Your Committees find that insurance notices and documents are currently required to be in writing, even though consumers increasingly show preferences for electronic access to their records in lieu of receiving paper mailings. Your Committees further find that many Hawaii residents would prefer to conduct business using electronic communications and should have the opportunity to opt in to that means of communication with their insurers.

Your Committees have amended this measure by:

- (1) Removing references to minimum liability coverage for motor vehicle insurance;
- (2) Amending the title of this measure to remove the reference to minimum liability coverage for motor vehicle insurance accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 159, 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. 159, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Commerce and Consumer Protection

Ayes, 5; Ayes with Reservations (Taniguchi). Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1126 (Majority) Judiciary and Labor on S.R. No. 123**

The purpose and intent of this measure is to request the Dean of the William S. Richardson School of Law at the University of Hawaii at Manoa to convene a task force to study the social, economic, and religious impacts of enacting marriage equality in Hawaii.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii, First Unitarian Church of Honolulu, Equality Hawaii, Japanese American Citizens League Honolulu Chapter, Young Democrats of Hawaii, IMUAlliance, Citizens for Equal Rights, Honolulu Pride, and twenty-two individuals. Testimony in opposition to this measure was submitted by the Hawaii Catholic Conference, Hawaii Family Forum, and nine individuals. The Hawaii Civil Rights Commission submitted comments on this measure.

Your Committee finds that the Hawaii Supreme Court held under *Baehr v. Miike* that the State's refusal to grant marriage licenses to same-sex couples violated the Hawaii State Constitution's prohibition against sex discrimination. Subsequently, in 1998, Hawaii voters ratified a constitutional amendment to add article I, section 23, to the Hawaii State Constitution to grant to the Legislature the power to reserve marriage to opposite-sex couples. As a result, section 572-1, Hawaii Revised Statutes, specifies that a valid marriage contract is only between a man and a woman. In 2011, the Legislature passed Act 1, Session Laws of Hawaii 2011, which established civil unions in Hawaii but made clear that it was not the Legislature's intent to revise the definition of or eligibility requirements of marriage under chapter 572, Hawaii Revised Statutes.

Your Committee recognizes that the debate regarding same-sex marriage continues as more states are enacting laws allowing for same-sex marriages or civil unions. The American Civil Liberties Union testified that there are approximately one hundred twenty thousand married same-sex couples in the United States with nine states and the District of Columbia allowing same-sex marriage. Recently, Colorado became the ninth state to allow civil unions.

Moreover, the U.S. Supreme Court has recently heard opening arguments for *United States v. Windsor* and *Hollingsworth v. Perry*. The *Windsor* case challenges the constitutionality of the federal Defense of Marriage Act, commonly known and referred to as DOMA. DOMA restricts federal marriage benefits and requires inter-state marriage recognition to only opposite-sex marriages in the United States. As a result, same-sex couples, including same-sex couples in a civil union, are excluded from approximately one thousand one hundred federal rights and benefits, including insurance benefits for government employees, Social Security survivors' benefits, immigration, and the filing of joint tax returns that are available under law to opposite-sex married couples. The *Perry* case is currently being heard by the U.S. Supreme Court on appeal from the U.S. Court of Appeals for the Ninth Circuit, which held that California's Proposition 8, a 2008 ballot initiative that amended the state constitution to allow only opposite-sex couples to marry, was unconstitutional. The U.S. Supreme Court is anticipated to make a decision on these two landmark cases by the end of June.

Your Committee also notes the concerns raised in written testimony opposing this measure. The Hawaii Catholic Conference testified that the Catholic Church teaches that marriage between one man and one woman is a sacrament and that there is no compelling state interest in granting marriage equality to same-sex relationships. Furthermore, the Hawaii Catholic Conference and an individual testified that the task force proposed by this measure does not consist of equal representation of both sides of the same-sex marriage issue. Furthermore, the same individual testified that this measure does not specifically direct the task force to seek public input and community engagement and recommended delaying the convening of a task force until the U.S. Supreme Court renders decisions for and fully reports *United States v. Windsor* and *Hollingsworth v. Perry*, these cases are analyzed in depth, and there has been sufficient opportunity to discuss the impact these two cases may have on the pending *Jackson v. Abercrombie* case.

Your Committee recognizes that there are rapid changes in the legal and social landscape across the country regarding marriage equality and that this measure will provide the Legislature an opportunity to study the issue in depth and carefully consider any potential ramifications of any changes to Hawaii law. Your Committee believes that the task force will represent a diverse group of interests and legal scholars and enable the Legislature to be prepared to address the legal realities for same-sex couples, especially after the U.S. Supreme Court issues its rulings in *Windsor* and *Perry*.

As 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. 123 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, none.

**SCRep. 1127 (Majority) Judiciary and Labor on S.C.R. No. 166**

The purpose and intent of this measure is to request the Dean of the William S. Richardson School of Law at the University of Hawaii at Manoa to convene a task force to study the social, economic, and religious impacts of enacting marriage equality in Hawaii.

Your Committee received testimony in support of this measure from the American Civil Liberties Union of Hawaii, First Unitarian Church of Honolulu, Equality Hawaii, Japanese American Citizens League Honolulu Chapter, Young Democrats of Hawaii, IMUAlliance, Citizens for Equal Rights, Honolulu Pride, and twenty-two individuals. Testimony in opposition to this measure was submitted by the Hawaii Catholic Conference, Hawaii Family Forum, and nine individuals. The Hawaii Civil Rights Commission submitted comments on this measure.

Your Committee finds that the Hawaii Supreme Court held under *Baehr v. Miike* that the State's refusal to grant marriage licenses to same-sex couples violated the Hawaii State Constitution's prohibition against sex discrimination. Subsequently, in 1998, Hawaii voters ratified a constitutional amendment to add article I, section 23, to the Hawaii State Constitution to grant to the Legislature the power to reserve marriage to opposite-sex couples. As a result, section 572-1, Hawaii Revised Statutes, specifies that a valid marriage contract is only between a man and a woman. In 2011, the Legislature passed Act 1, Session Laws of Hawaii 2011, which established civil unions in Hawaii but made clear that it was not the Legislature's intent to revise the definition of or eligibility requirements of marriage under chapter 572, Hawaii Revised Statutes.

Your Committee recognizes that the debate regarding same-sex marriage continues as more states are enacting laws allowing for same-sex marriages or civil unions. The American Civil Liberties Union testified that there are approximately one hundred twenty thousand married same-sex couples in the United States with nine states and the District of Columbia allowing same-sex marriage. Recently, Colorado became the ninth state to allow civil unions.

Moreover, the U.S. Supreme Court has recently heard opening arguments for *United States v. Windsor* and *Hollingsworth v. Perry*. The *Windsor* case challenges the constitutionality of the federal Defense of Marriage Act, commonly known and referred to as DOMA. DOMA restricts federal marriage benefits and requires inter-state marriage recognition to only opposite-sex marriages in the United States. As a result, same-sex couples, including same-sex couples in a civil union, are excluded from approximately one thousand one hundred federal rights and benefits, including insurance benefits for government employees, Social Security survivors' benefits, immigration, and the filing of joint tax returns that are available under law to opposite-sex married couples. The *Perry* case is currently being heard by the U.S. Supreme Court on appeal from the U.S. Court of Appeals for the Ninth Circuit, which held that California's Proposition 8, a 2008 ballot initiative that amended the state constitution to allow only opposite-sex couples to marry, was unconstitutional. The U.S. Supreme Court is anticipated to make a decision on these two landmark cases by the end of June.

Your Committee also notes the concerns raised in written testimony opposing this measure. The Hawaii Catholic Conference testified that the Catholic Church teaches that marriage between one man and one woman is a sacrament and that there is no compelling state interest in granting marriage equality to same-sex relationships. Furthermore, the Hawaii Catholic Conference and an individual testified that the task force proposed by this measure does not consist of equal representation of both sides of the same-sex marriage issue. Furthermore, the same individual testified that this measure does not specifically direct the task force to seek public input and community engagement and recommended delaying the convening of a task force until the U.S. Supreme Court renders decisions for and fully reports *United States v. Windsor* and *Hollingsworth v. Perry*, these cases are analyzed in depth, and there has been sufficient opportunity to discuss the impact these two cases may have on the pending *Jackson v. Abercrombie* case.

Your Committee recognizes that there are rapid changes in the legal and social landscape across the country regarding marriage equality and that this measure will provide the Legislature an opportunity to study the issue in depth and carefully consider any potential ramifications of any changes to Hawaii law. Your Committee believes that the task force will represent a diverse group of interests and legal scholars and enable the Legislature to be prepared to address the legal realities for same-sex couples, especially after the U.S. Supreme Court issues its rulings in *Windsor* and *Perry*.

As 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. 166 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4; Ayes with Reservations (Ihara). Noes, 1 (Slom). Excused, none.

**SCRep. 1128 Energy and Environment on S.C.R. No. 74**

The purpose and intent of this measure is to urge:

- (1) The Department of Agriculture to add the Albizia tree to its noxious weed list; and
- (2) The Invasive Species Council to develop and implement a comprehensive interagency plan for the control and eradication of Albizia on the island of Hawaii.

Your Committee received testimony in support of this measure from the County of Hawaii, Civil Defense Agency; Piihonua Community Association; Hawaiian Shores Community Association; Aloha Arborist Association; Hawaii Electric Light Company; and two individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources and Department of Agriculture.

Your Committee finds that the Albizia is a fast growing tree with shallow roots, brittle wood, and a weak structure that was introduced to Hawaii in 1917. The Albizia's rapid growth rate and soil-altering roots and foliage pose a threat to lowland native forests, and falling Albizia trees and branches pose a safety hazard to homeowners, motorists, and utilities.

Your Committee has amended this measure by:

- (1) Removing the paragraph urging the Department of Agriculture to designate the Albizia as a noxious weed;
- (2) Adding a paragraph encouraging the Invasive Species Council to find partners to utilize the Albizia trees that are removed;
- (3) Adding a paragraph urging the Department of Agriculture to investigate biocontrol agents for the control of Albizia; and
- (4) Amending the title accordingly.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74, 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. 74, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1129 Energy and Environment on S.R. No. 41**

The purpose and intent of this measure is to urge:

- (1) The Department of Agriculture to add the Albizia tree to its noxious weed list; and

- (2) The Invasive Species Council to develop and implement a comprehensive interagency plan for the control and eradication of Albizia on the island of Hawaii.

Your Committee received testimony in support of this measure from the County of Hawaii, Civil Defense Agency; Piihonua Community Association; Hawaiian Shores Community Association; Aloha Arborist Association; Hawaii Electric Light Company; and two individuals. Your Committee received comments on this measure from the Department of Land and Natural Resources and Department of Agriculture.

Your Committee finds that the Albizia is a fast growing tree with shallow roots, brittle wood, and a weak structure that was introduced to Hawaii in 1917. The Albizia's rapid growth rate and soil-altering roots and foliage pose a threat to lowland native forests, and falling Albizia trees and branches pose a safety hazard to homeowners, motorists, and utilities.

Your Committee has amended this measure by:

- (1) Removing the paragraph urging the Department of Agriculture to designate the Albizia as a noxious weed;
- (2) Adding a paragraph encouraging the Invasive Species Council to find partners to utilize the Albizia trees that are removed;
- (3) Adding a paragraph urging the Department of Agriculture to investigate biocontrol agents for the control of Albizia; and
- (4) Amending the title accordingly.

As affirmed by the record of votes of the members of your Committee on Energy and Environment that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 41, 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. 41, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1130 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 200**

The purpose and intent of this measure is to urge the President of the United States and Congress to reach an agreement on an appropriations bill to address the current fiscal crisis and mitigate its negative impact on the military and the Department of Defense civilian population in Hawaii and across the nation.

Your Committee received testimony in support of this measure from Veterans of Foreign Wars, Papa Ola Lokahi, and one individual.

Your Committee finds that Hawaii plays a crucial role in the United States' security strategy for the Pacific. Your Committee further finds that in Hawaii, the military's presence is a critical component of the State's economy, with the direct and indirect impacts of defense spending estimated at more than \$14,700,000,000 and accounting for more than 102,000 jobs. This measure is necessary to encourage agreement on an appropriations bill to address the current fiscal crisis, since sequestration has had serious, adverse impacts on the military and Department of Defense civilian populations in Hawaii.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 200 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 (Galuteria, Green).

**SCRep. 1131 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 196**

The purpose and intent of this measure is to urge the Department of Public Safety to:

- (1) Implement a fitness training regimen for State Sheriffs and Adult Corrections Officers;
- (2) Mandate all Sheriffs and Adult Corrections Officers to regularly perform in accordance with minimum fitness standards during service in public field duty; and
- (3) Annually test the physical fitness of State Sheriffs and Adult Corrections Officers.

Your Committee received testimony in support of this measure from the Department of Public Safety and one individual.

Your Committee finds that the health and fitness of State Sheriffs and Adult Corrections Officers are especially imperative for public well-being because these professionals shoulder the responsibilities of physically managing inmates with violent histories whose disruptive behavior, if inadequately restrained, could pose risks to themselves, staff, other inmates, and institutional order. This measure encourages the improvement of the recruitment process, physical fitness, pre-service and in-service training, supervisory training, and leadership development for State Sheriffs and Adult Corrections Officers.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 196 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1132 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs and Tourism and Hawaiian Affairs on S.R. No. 29**

The purpose and intent of this measure is to request the United States Congress to repeal Section 340 of Public Law No. 105-66 prohibiting the transfer of airport revenue to the Office of Hawaiian Affairs and to affirmatively authorize the Hawaii State Department of Transportation to transfer a portion of the airport revenues to the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Association of Hawaiian Civic Clubs, and one individual. Your Committees received testimony in opposition to this measure from the Department of Transportation and three individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that Public Law No. 105-66 supercedes state law, resulting in a prohibition on the transfer of airport ceded lands revenues to the Office of Hawaiian Affairs. However, the Honolulu International Airport sits on ceded lands from which the lease revenue is due and owing to the Office of Hawaiian Affairs as ceded lands revenue. This measure requests that Hawaii's Congressional delegation introduce legislation to repeal section 340 of Public Law No. 105-66 to permit the transfer to airport revenue to the Office of Hawaiian Affairs.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs, Transportation and International Affairs, and Tourism and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 29, 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. 29, S.D. 1.

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Transportation and International Affairs  
Ayes, 5. Noes, none. Excused, 4 (Gabbard, Kahele, Kouchi, Slom).

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 1133 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs and Tourism and Hawaiian Affairs on S.C.R. No. 51**

The purpose and intent of this measure is to request the United States Congress to repeal Section 340 of Public Law No. 105-66 prohibiting the transfer of airport revenue to the Office of Hawaiian Affairs and to affirmatively authorize the Hawaii State Department of Transportation to transfer a portion of the airport revenues to the Office of Hawaiian Affairs.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Association of Hawaiian Civic Clubs, and one individual. Your Committees received testimony in opposition to this measure from the Department of Transportation and three individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that Public Law No. 105-66 supercedes state law, resulting in a prohibition on the transfer of airport ceded lands revenues to the Office of Hawaiian Affairs. However, the Honolulu International Airport sits on ceded lands from which the lease revenue is due and owing to the Office of Hawaiian Affairs as ceded lands revenue. This measure requests that Hawaii's Congressional delegation introduce legislation to repeal section 340 of Public Law No. 105-66 to permit the transfer to airport revenue to the Office of Hawaiian Affairs.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs, Transportation and International Affairs, and Tourism and Hawaiian Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 51, 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. 51, S.D. 1.

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

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Transportation and International Affairs  
Ayes, 5. Noes, none. Excused, 4 (Gabbard, Kahele, Kouchi, Slom).

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

**SCRep. 1134 (Majority) Public Safety, Intergovernmental and Military Affairs on S.R. No. 96**

The purpose and intent of this measure is to urge the United States Congress to enact federal legislation or propose a constitutional amendment granting full voting rights to residents of the District of Columbia.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that the District of Columbia has approximately 601,723 residents who share all of the responsibilities of United States citizenship, including paying federal taxes, serving on federal juries, and defending the United States as members of the United States Armed Services, yet they are denied full representation in Congress. This measure will urge Congress to allow residents of the District of Columbia to enjoy their basic American right to representation in the body that enacts the laws that govern its citizens.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Galuteria, Green).

**SCRep. 1135 (Majority) Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 135**

The purpose and intent of this measure is to urge the United States Congress to enact federal legislation or propose a constitutional amendment granting full voting rights to residents of the District of Columbia.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that the District of Columbia has approximately 601,723 residents who share all of the responsibilities of United States citizenship, including paying federal taxes, serving on federal juries, and defending the United States as members of the United States Armed Services, yet they are denied full representation in Congress. This measure will urge Congress to allow residents of the District of Columbia to enjoy their basic American right to representation in the body that enacts the laws that govern its citizens.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 135 and recommends that it be referred to the Committee on Judiciary and Labor.

Signed by the Chair on behalf of the Committee.  
Ayes, 2. Noes, 1 (Slom). Excused, 2 (Galuteria, Green).

**SCRep. 1136 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.C.R. No. 10**

The purpose and intent of this measure is to urge Hawaii's Congressional Delegation to seek federal funding to match state funds to support public works of art honoring the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink.

Your Committees received testimony in support of this measure from the State Foundation on Culture and the Arts and one individual. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that the State Foundation on Culture and the Arts requires funding to commission a permanent, three-dimensional work of art to portray the life, vision, accomplishments, impact, and legacy of the late Senator Daniel K. Inouye and the late Representative Patsy T. Mink. This measure seeks financial support to honor the memory of the late Senator Inouye and the late Representative Mink and to use their examples of public service to inspire current and future generations.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 10, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 10, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).  
Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1137 Commerce and Consumer Protection on S.R. No. 34**

The purpose and intent of this measure is to request collaboration among various state agencies to identify barriers relating to the practice of advanced practice registered nursing to the full extent of the nurses' education and training in the State.

Your Committee received testimony in support of this measure from the Board of Nursing, Hawai'i State Center for Nursing, University of Hawai'i at Manoa School of Nursing and Dental Hygiene, University of Hawai'i Maui College, Hawaii Long Term Care Association, Hawai'i Association of Professional Nurses, and eleven individuals. Your Committee received comments on this measure from the Department of the Attorney General and Legislative Reference Bureau.

Your Committee finds that the Legislature has previously aligned Hawaii laws with national goals requiring the utilization of primary care providers, particularly Advanced Practice Registered Nurses, to the full extent of their education and training. Advanced Practice Registered Nurses provide cost-effective, accessible, patient-centered care, including care coordination, chronic care management, and wellness and preventive care.

Your Committee further finds that the Hawaii State Center for Nursing has identified barriers in the form of obsolete language in the Hawaii Revised Statutes and Hawaii Administrative Rules that preclude or impede Advanced Practice Registered Nurses from practicing to the full extent of their education and training. This measure begins the process of removing barriers in the Hawaii Revised Statutes and Hawaii Administrative Rules to the practice of Advanced Practice Registered Nursing and underscores the fact that Advanced Practice Registered Nurses play a central role in nationwide health reform. This measure also clarifies the national goal for a transformed health system that provides wide access to essential health services, improves quality, and controls costs, which cannot be achieved without maximizing the contributions of Advanced Practice Registered Nurses.

Your Committee additionally finds that this measure requests the Department of the Attorney General to coordinate the various state agencies' positions and recommendations and prepare a draft report to submit to the Legislative Reference Bureau. Your Committee notes that this requirement may interfere with the Department of the Attorney General's role as a legal advisor to the individual agencies. Your Committee concludes that it would be more effective for the Hawaii State Center for Nursing to convene a working group composed of the various state agencies to identify Advanced Practice Registered Nursing scope of practice barriers, rather than requiring the Attorney General to obtain this information. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the assistance and recommendations of the Department of the Attorney General and Legislative Reference Bureau will be needed to identify Advanced Practice Registered Nursing scope of practice barriers;
- (2) Requesting the Hawaii State Center for Nursing to convene a working group composed of various state agencies to identify barriers relating to the practice of Advanced Practice Registered Nurses;
- (3) Specifying the state agencies to be represented on the working group;
- (4) Specifying that the working group may enlist the assistance of the Department of the Attorney General, other state agencies, or professional groups as needed to complete its task;
- (5) Requesting the working group to transmit a draft report of the working group's findings and recommendations to the Legislative Reference Bureau by November 1, 2013, rather than requiring the Department of the Attorney General to transmit a draft report;
- (6) Amending the organizations receiving a certified copy of this measure; and
- (7) Updating its title to reflect its amended purpose.

As affirmed 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. 34, 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. 34, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1138 Commerce and Consumer Protection on S.C.R. No. 66**

The purpose and intent of this measure is to request collaboration among various state agencies to identify barriers relating to the practice of advanced practice registered nursing to the full extent of the nurses' education and training in the State.

Your Committee received testimony in support of this measure from the Board of Nursing, Hawai'i State Center for Nursing, University of Hawai'i at Manoa School of Nursing and Dental Hygiene, University of Hawai'i Maui College, Hawaii Long Term Care Association, Hawai'i Association of Professional Nurses, and eleven individuals. Your Committee received comments on this measure from the Department of the Attorney General and Legislative Reference Bureau.

Your Committee finds that the Legislature has previously aligned Hawaii laws with national goals requiring the utilization of primary care providers, particularly Advanced Practice Registered Nurses, to the full extent of their education and training. Advanced Practice Registered Nurses provide cost-effective, accessible, patient-centered care, including care coordination, chronic care management, and wellness and preventive care.

Your Committee further finds that the Hawaii State Center for Nursing has identified barriers in the form of obsolete language in the Hawaii Revised Statutes and Hawaii Administrative Rules that preclude or impede Advanced Practice Registered Nurses from practicing to the full extent of their education and training. This measure begins the process of removing barriers in the Hawaii Revised Statutes and Hawaii Administrative Rules to the practice of Advanced Practice Registered Nursing and underscores the fact that Advanced Practice Registered Nurses play a central role in nationwide health reform. This measure also clarifies the national goal for a transformed health system that provides wide access to essential health services, improves quality, and controls costs, which cannot be achieved without maximizing the contributions of Advanced Practice Registered Nurses.

Your Committee additionally finds that this measure requests the Department of the Attorney General to coordinate the various state agencies' positions and recommendations and prepare a draft report to submit to the Legislative Reference Bureau. Your Committee notes that this requirement may interfere with the Department of the Attorney General's role as a legal advisor to the individual agencies. Your Committee concludes that it would be more effective for the Hawaii State Center for Nursing to convene a working group composed of the various state agencies to identify Advanced Practice Registered Nursing scope of practice barriers, rather than requiring the Attorney General to obtain this information. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the assistance and recommendations of the Department of the Attorney General and Legislative Reference Bureau will be needed to identify Advanced Practice Registered Nursing scope of practice barriers;



- (2) Requesting the Hawaii State Center for Nursing to convene a working group composed of various state agencies to identify barriers relating to the practice of Advanced Practice Registered Nurses;
- (3) Specifying the state agencies to be represented on the working group;
- (4) Specifying that the working group may enlist the assistance of the Department of the Attorney General, other state agencies, or professional groups as needed to complete its task;
- (5) Requesting the working group to transmit a draft report of the working group's findings and recommendations to the Legislative Reference Bureau by November 1, 2013, rather than requiring the Department of the Attorney General to transmit a draft report;
- (6) Amending the organizations receiving a certified copy of this measure; and
- (7) Updating its title to reflect its amended purpose.

As affirmed 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. 66, 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. 66, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1139 (Joint) Agriculture and Commerce and Consumer Protection on S.C.R. No. 34**

The purpose and intent of this measure is to urge the Department of Agriculture to:

- (1) Implement differentiated water toll rates and charges for the Hamakua District irrigation system to promote the development and expansion of agricultural activities and processing; and
- (2) Submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014 on the status and progress of the Department's implementation of differentiated water toll rates and charges for the Hamakua District irrigation system.

Prior to the hearing on this measure, your Committees prepared and made available for public review a proposed S.D. 1 that amended this measure by deleting its contents and replacing it with language urging, among other things:

- (1) The University of Hawaii Economic Research Organization to establish an economic model, conduct an economic impact study, and submit a report on the economic impact of implementing a Genetically Modified Organisms (GMO) labeling or GMO registration requirement on consumers, the local agricultural industry, and the State's 2050 sustainability goals;
- (2) The Department of Agriculture, Department of Health, and Department of Business, Economic Development, and Tourism to research and submit a report examining whether implementing a GMO labeling or GMO registration regimen is practicable and whether such a program would adversely affect the Hawaii 2050 sustainability goals;
- (3) The Department of Agriculture to provide a report that includes detailed cost analyses on implementing GMO labeling and GMO registration regimens;
- (4) The University of Hawaii College of Tropical Agriculture and Human Resources to submit a report analyzing peer reviewed literature and studies regarding the long-term safety of GMO crops grown in Hawaii and information on farming practices in Hawaii; and
- (5) The foregoing agencies to submit an individual interim report and final report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2014 and 2015, respectively, on the research requested in this measure.

Your Committees received testimony in support of the proposed S.D. 1 from Monsanto Co. and Ulupono Initiative. Your Committees received comments on the proposed S.D. 1 from the Department of Agriculture.

Your Committees understand that GMO labeling has garnered much debate throughout the country. While consumers have significant concerns about the safety of GMOs, the agricultural industry and the State have concerns regarding the intended and unintended effects arising from a GMO labeling mandate. Pursuing comprehensive studies and reports from the University of Hawaii and affected state agencies will ensure that the State addresses all parties' concerns in an educated and prudent manner.

Accordingly, your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Urging the Legislative Reference Bureau to provide a report to the Legislature that includes copies of legislation adopted by, or bills or ordinances under consideration by, other state legislatures over the past three years that address GMO labeling, and the outcomes of such bills;
- (2) Urging the University of Hawaii College of Tropical Agriculture and Human Resources, with the assistance of the Department of Agriculture, rather than the Department of Agriculture alone, to provide a report that includes detailed cost analyses on implementing GMO labeling and GMO registration regimens; and
- (3) 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 Agriculture and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 34, 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. 34, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Agriculture  
Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

Commerce and Consumer Protection  
Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Wakai).

**SCRep. 1140 Technology and the Arts on S.C.R. No. 141**

The purpose and intent of this measure is to request the State Foundation on Culture and the Arts to:

- (1) Display all works of art in its collection;
- (2) Photograph every work of art in the Foundation's collection and make the photographs publicly available on an internet website with a description and current location on each piece of art; and
- (3) Implement an online database of every work of art by artist, date of creation, and current location.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts, Hawaii Open Data, and one individual.

Your Committee finds that the State Foundation on Culture and the Arts promotes, perpetuates, and preserves the arts, history, and humanities and expands the growth of cultural tourism in Hawaii. Your Committee further finds that of the approximately 6,000 pieces in the Art in Public Places Collection, about thirty-two percent of the collection is currently not on display. This measure will allow the public to enjoy and view all 6,000 pieces of art in the Collection that would otherwise be inaccessible.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 141 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 (Tokuda, Slom).

**SCRep. 1141 Technology and the Arts on S.R. No. 102**

The purpose and intent of this measure is to request the State Foundation on Culture and the Arts to:

- (1) Display all works of art in its collection;
- (2) Photograph every work of art in the Foundation's collection and make the photographs publicly available on an internet website with a description and current location on each piece of art; and
- (3) Implement an online database of every work of art by artist, date of creation, and current location.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts, Hawaii Open Data, and one individual.

Your Committee finds that the State Foundation on Culture and the Arts promotes, perpetuates, and preserves the arts, history, and humanities and expands the growth of cultural tourism in Hawaii. Your Committee further finds that of the approximately 6,000 pieces in the Art in Public Places Collection, about thirty-two percent of the collection is currently not on display. This measure will allow the public to enjoy and view all 6,000 pieces of art in the Collection that would otherwise be inaccessible.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 102 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 (Tokuda, Slom).

**SCRep. 1142 (Joint) Education and Higher 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 evaluate the comprehensive plan for teaching reading in Hawaii schools and to move forward with appropriate implementation.

Your Committees received testimony in support of this measure from the Maui Police Department, Hawaii Association of Independent Schools, Special Education Advisory Council, Hawai'i Branch of the International Dyslexia Association, Learning Disabilities Association of Hawaii, and twenty-five individuals. Your Committees received testimony in opposition to this measure from the Department of Education and the Dyslexia Tutoring Center of Hawaii, Inc. Your Committees received comments on this measure from the Hawaii Teacher Standards Board.

Your Committees find that pursuant to Senate Concurrent Resolution No. 110, Regular Session of 2010 (SCR 110), a working group was established to address dyslexia awareness and literacy instruction as they relate to teacher preparation programs, teacher licensure requirements, professional development for educators, and reading programs in public schools.

Your Committees commend the members of the dyslexia working group that came together as part of SCR 110 and dedicated countless hours toward the recommendations presented.

Continuing on the Department of Education's various efforts to address dyslexia and other literacy challenges for students in Hawaii's public schools, your Committees have amended this measure by:

- (1) Removing language relating to the Department of Education's testimony to the Education Committee of the House of Representatives on February 6, 2013;
- (2) Adding language to clarify that the Department of Education is continuing to address the working group's concerns;
- (3) Requesting the Board of Education and Department of Education to, among other things, promote greater awareness of dyslexia and evaluate methods for providing support to students with dyslexia and other literacy challenges rather than specifically evaluating, among other things, the implementation of the working group's report;
- (4) Requesting the Department to report on its efforts to provide comprehensive support services for students with dyslexia and other literacy challenges, rather than requiring the Department to provide specific data and information based on the working group's report;
- (5) Requesting the Department to include in its report:
  - (A) The number of schools with licensed reading teachers, licensed reading specialists, and licensed literary specialists, including the number of individuals in each position by grade level and subject matter;
  - (B) A discussion of best practices and complex area-based support; and
  - (C) The Department of Education's plans and capacity needs to replicate its efforts to address dyslexia and literacy challenges statewide;
- (6) Removing the Director of the Legislative Reference Bureau from the list of entities to which a certified copy of this measure will be transmitted;
- (7) Amending its title to read: "REQUESTING THE BOARD OF EDUCATION AND DEPARTMENT OF EDUCATION TO EVALUATE THE IMPLEMENTATION OF A PLAN TO PROMOTE GREATER AWARENESS OF DYSLEXIA AND PROVIDE COMPREHENSIVE SUPPORT FOR STUDENTS WITH DYSLEXIA AND OTHER LITERARY CHALLENGES"; 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 Education and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 120, 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. 120, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education

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

Higher Education

Ayes, 5. Noes, none. Excused, 2 (Ige, Kahele).

**SCRep. 1143 (Joint) Education and Water and Land on S.C.R. No. 192**

The purpose and intent of this measure is to request the Board of Education to incorporate sustainability education into the science curriculum of public schools.

Your Committees received testimony in support of this measure from the University of Hawai'i at Hilo, Office of the Mayor of the County of Hawai'i, Sustainability Hawaii Youth Leadership Initiative, The Kohala Center, and eleven individuals. Your Committees received comments on this measure from the Department of Education.

Your Committees find that the sustainable use of resources and clean energy are essential to Hawaii given its location in the middle of the Pacific Ocean.

Your Committees further find that sustainability education should be incorporated into the current courses at Hawaii's public schools so that children can learn to protect the unique character of the State and provide security for generations of residents to come. In working toward this goal, your Committees encourage the Board of Education and the Department of Education to consult with the University of Hawaii System, as the University of Hawaii West Oahu is currently developing a Bachelor's degree in sustainability.

Your Committees have amended this measure by:

- (1) Adding findings regarding the Board of Education's Policy No. 6710, relating to sustainability at Department of Education facilities;
- (2) Deleting the language requesting the Board of Education to incorporate sustainability into the science curriculum of public schools;
- (3) Requesting the Board of Education to review and modify Board Policy No. 6710 to identify ways to incorporate sustainability education and environmental stewardship at the classroom level, specifically identifying the common core and/or content areas that may incorporate such classes;
- (4) Adding language requesting that the Board of Education and Department of Education identify and encourage, as appropriate, opportunities to engage students, classes, and schools in activities including but not limited to project-based learning, mentorships, and data collection in connection with Board Policy No. 6710 at the complex area support level;

- (5) Changing its title to read: "REQUESTING THE BOARD OF EDUCATION TO REVIEW AND MODIFY BOARD POLICY NO. 6710 TO IDENTIFY WAYS TO INCORPORATE SUSTAINABILITY EDUCATION AND ENVIRONMENTAL STEWARDSHIP AT THE CLASSROOM LEVEL"; 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 Education and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 192, 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. 192, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education

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

Water and Land

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1144 (Joint) Health and Higher Education on S.R. No. 87**

The purpose and intent of this measure is to request the Department of Health and the John A. Burns School of Medicine to conduct a study on the states with Good Samaritan laws and their impact on decreasing drug overdose deaths.

Your Committees received testimony in support of this measure from the Department of Health; Chow Project; Community Alliance on Prisons; and six individuals.

Your Committees find that many people who experience a drug overdose, or who witness a friend experiencing a drug overdose, delay seeking medical assistance out of fear of prosecution. This delay often can result in serious negative medical outcomes or death for the person experiencing the overdose. Your Committees further find that medical amnesty is a life-saving policy that immunizes persons seeking medical assistance from criminal liability in order to ensure that medical attention is immediately sought for anyone experiencing a drug overdose.

Your Committees also find that medical amnesty makes medical safety paramount in situations where someone is experiencing an overdose and promotes a policy that is beneficial to people of the State.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 87 and recommend that it be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

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

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1145 (Joint) Health and Higher Education on S.C.R. No. 124**

The purpose and intent of this measure is to request the Department of Health and the John A. Burns School of Medicine to conduct a study on the states with Good Samaritan laws and their impact on decreasing drug overdose deaths.

Your Committees received testimony in support of this measure from the Department of Health; Chow Project; Community Alliance on Prisons; and six individuals.

Your Committees find that many people who experience a drug overdose, or who witness a friend experiencing a drug overdose, delay seeking medical assistance out of fear of prosecution. This delay often can result in serious negative medical outcomes or death for the person experiencing the overdose. Your Committees further find that medical amnesty is a life-saving policy that immunizes persons seeking medical assistance from criminal liability in order to ensure that medical attention is immediately sought for anyone experiencing a drug overdose.

Your Committees also find that medical amnesty makes medical safety paramount in situations where someone is experiencing an overdose and promotes a policy that is beneficial to people of the State.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 124 and recommend that it be referred to the Committee on Judiciary and Labor.

Signed by the Chairs on behalf of the Committees.

Health

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

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1146 (Joint) Health and Human Services on S.R. No. 110**

The purpose and intent of this measure is to request the establishment of a work group to examine the social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

Your Committees received testimony in support of this measure from the Governor, Department of Commerce and Consumer Affairs, West Hawaii Community Health Center, Waimanalo Health Center, and Community Alliance for Mental Health.

Your Committees find that health is affected by social determinants of health, which have considerable bearing on individual and population health, more so than genetic disposition and traditional medical care. Many people are subject to multiple determinants, or risks, such as homelessness, language barriers, abuse, unemployment, poverty, and lack of transportation at any given time, and social determinants of health complicate the ability to address individual and community health concerns and pose challenges to patients and providers in identifying, assessing, and treating health problems.

Your Committees also find that social determinants of health and other enabling services, including care coordination, often result in costlier preventable health care costs such as hospitalizations and emergency department utilization. Health care costs can be reduced with improved access to primary care services and risk adjustment for social determinants of health and other enabling services. Your Committees further find that the Medicaid, gap-group, and uninsured populations have significant socio-economic pressures, and addressing them will show measurable improvement in preventable health care costs. As a result, your Committees request the establishment of a work group to examine the social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

Your Committees have amended this measure by:

- (1) Adding a description of the gap-group that was created on July 1, 2012, when individuals and families with incomes between one hundred thirty-three and two hundred percent of the poverty level were dropped from Medicaid coverage;
- (2) Adding a representative from a consumer health advocacy organization to the work group;
- (3) Expressly directing the work group to examine Medicaid services and health plans; 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 concur with the intent and purpose of S.R. No. 110, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 110, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Human Services

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

**SCRep. 1147 (Joint) Health and Human Services on S.C.R. No. 151**

The purpose and intent of this measure is to request the establishment of a work group to examine the social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

Your Committees received testimony in support of this measure from the Governor, Department of Commerce and Consumer Affairs, West Hawaii Community Health Center, Waimanalo Health Center, and Community Alliance for Mental Health.

Your Committees find that health is affected by social determinants of health, which have considerable bearing on individual and population health, more so than genetic disposition and traditional medical care. Many people are subject to multiple determinants, or risks, such as homelessness, language barriers, abuse, unemployment, poverty, and lack of transportation at any given time, and social determinants of health complicate the ability to address individual and community health concerns and pose challenges to patients and providers in identifying, assessing, and treating health problems.

Your Committees also find that social determinants of health and other enabling services, including care coordination, often result in costlier preventable health care costs such as hospitalizations and emergency department utilization. Health care costs can be reduced with improved access to primary care services and risk adjustment for social determinants of health and other enabling services. Your Committees further find that the Medicaid, gap-group, and uninsured populations have significant socio-economic pressures, and addressing them will show measurable improvement in preventable health care costs. As a result, your Committees request the establishment of a work group to examine the social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

Your Committees have amended this measure by:

- (1) Adding a description of the gap-group that was created on July 1, 2012, when individuals and families with incomes between one hundred thirty-three and two hundred percent of the poverty level were dropped from Medicaid coverage;
- (2) Adding a representative from a consumer health advocacy organization to the work group;
- (3) Expressly directing the work group to examine Medicaid services and health plans; 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 concur with the intent and purpose of S.C.R. No. 151, 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. 151, S.D. 1.

Signed by the Chairs on behalf of the Committees.

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

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

**SCRep. 1148 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 154**

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 tobacco use cessation treatments.

Your Committees received testimony in support of this measure from Kaiser Permanente and Hawaii Disability Rights Center.

Your Committees find that smoking is costly to employers in terms of smoking-related medical expenses and lost productivity and is the leading preventable cause of death in the United States. On average, smokers who quit will live longer and have fewer years of living with disability. Your Committees find that studies have shown that face-to-face counseling and interactive telephone counseling are more effective tobacco use cessation treatments than services that only provide educational or self-help materials, and the effectiveness of counseling services increases as the number and length of the sessions increase.

Your Committees find that employers who provide a tobacco use cessation benefit have reported an increase in the number of smokers who are willing to undergo treatment and an increase in the percentage of those who successfully quit smoking. Your Committees also find that, over time, tobacco use cessation coverage generates financial returns for employers, including:

- (1) Reduced health care costs;
- (2) Reduced absenteeism;
- (3) Increased on-the-job productivity; and
- (4) Reduced life insurance costs.

As a result, your Committees request the Auditor to assess the social and financial effects of requiring health insurance coverage for tobacco use cessation treatments.

Your Committees have amended this measure by identifying Senate Bill No. 654 as the appropriate bill to be assessed by the Auditor.

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. 154, 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. 154, S.D. 1.

Signed by the Chairs on behalf of the Committees.

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

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1149 Health on S.R. No. 52**

The purpose and intent of this measure is to urge all health providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waitlist.

Your Committee received testimony in support of this measure from three individuals.

Your Committee finds that in 2011 at least 2,425 people in Hawaii had HIV or AIDS and that this number has increased every year since 2001 because of the effectiveness of antiretroviral therapy. Today, most people infected with HIV who use highly active antiretroviral therapy tend to die from end-stage organ disease and organ failure that result from chronic conditions rather than AIDS-associated opportunistic infections. Your Committee further finds that health care facilities on the mainland currently perform kidney and pancreas transplants on HIV-positive patients who have end-stage kidney disease and diabetes, and recent research has shown that HIV-positive patients who received a kidney transplant experienced a 94.6 percent one year survival rate and a 88.2 percent three-year survival rate, which were similar to kidney transplant recipients who were not infected with HIV and higher than kidney transplant recipients who were age sixty-five and older.

Your Committee also finds that under certain circumstances, HIV-positive patients are good candidates for organ transplantation and have positive post-transplant outcomes, and there is no reason to deny HIV-positive patients an organ transplant solely due to their HIV status. As a result, your Committee urges all health providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waitlist.

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. 52 and recommends that it 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 (Chun Oakland, Slom).

**SCRep. 1150 Health on S.C.R. No. 86**

The purpose and intent of this measure is to urge all health providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waitlist.

Your Committee received testimony in support of this measure from three individuals.

Your Committee finds that in 2011 at least 2,425 people in Hawaii had HIV or AIDS and that this number has increased every year since 2001 because of the effectiveness of antiretroviral therapy. Today, most people infected with HIV who use highly active antiretroviral therapy tend to die from end-stage organ disease and organ failure that result from chronic conditions rather than AIDS-associated opportunistic infections. Your Committee further finds that health care facilities on the mainland currently perform kidney and pancreas transplants on HIV-positive patients who have end-stage kidney disease and diabetes, and recent research has shown that HIV-positive patients who received a kidney transplant experienced a 94.6 percent one year survival rate and a 88.2 percent three-year survival rate, which were similar to kidney transplant recipients who were not infected with HIV and higher than kidney transplant recipients who were age sixty-five and older.

Your Committee also finds that under certain circumstances, HIV-positive patients are good candidates for organ transplantation and have positive post-transplant outcomes, and there is no reason to deny HIV-positive patients an organ transplant solely due to their HIV status. As a result, your Committee urges all health providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waitlist.

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. 86 and recommends that it 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 (Chun Oakland, Slom).

**SCRep. 1151 Health on S.R. No. 113**

The purpose and intent of this measure is to request the Department of Health to convene a task force to establish a stroke system of care in the State.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Pacific Health, Healthcare Association of Hawaii, and American Heart Association.

Your Committee finds that stroke is the leading cause of chronic disability among adults in the State. Rapid identification, diagnosis, and treatment of stroke can improve outcomes for stroke patients. Your Committee finds that Hawaii does not presently have an adequate and effective system of statewide stroke care that emphasizes rapid assessment and triage of stroke patients. Your Committee further finds that in order to provide the best medical outcomes for Hawaii's stroke victims, it is necessary to request the Department of Health to convene a task force to establish a stroke system of care in the State.

Your Committee has amended this measure by:

- (1) Expanding the membership of the task force to include a representative of Healthcare Association of Hawaii, who is to invite chief medical officers from all hospitals with emergency departments; a representative from the Hawaii Neurological Society; a representative from the American College of Emergency Physicians, Hawaii Chapter; and any additional stakeholders identified by the task force; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 113, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1152 Health on S.C.R. No. 155**

The purpose and intent of this measure is to request the Department of Health to convene a task force to establish a stroke system of care in the State.

Your Committee received testimony in support of this measure from the Department of Health, Hawaii Pacific Health, Healthcare Association of Hawaii, and American Heart Association.

Your Committee finds that stroke is the leading cause of chronic disability among adults in the State. Rapid identification, diagnosis, and treatment of stroke can improve outcomes for stroke patients. Your Committee finds that Hawaii does not presently have an adequate and effective system of statewide stroke care that emphasizes rapid assessment and triage of stroke patients. Your Committee further finds that in order to provide the best medical outcomes for Hawaii's stroke victims, it is necessary to request the Department of Health to convene a task force to establish a stroke system of care in the State.

Your Committee has amended this measure by:

- (1) Expanding the membership of the task force to include a representative of Healthcare Association of Hawaii, who is to invite chief medical officers from all hospitals with emergency departments; a representative from the Hawaii Neurological Society; a representative from the American College of Emergency Physicians, Hawaii Chapter; and any additional stakeholders identified by the task force; and

(2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 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, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1153 Health on S.R. No. 109**

The purpose and intent of this measure is to encourage the Department of Health to establish an emergency services patient advocate program to provide assistance to and advocate on behalf of patients receiving emergency medical services and their families.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health and two individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that sick and vulnerable patients and their family members can become overwhelmed during a medical emergency. Many patients are unaware of their rights regarding the treatment and care they receive from their emergency room physicians. Your Committee finds that many patients or their family members may disagree with the diagnosis or treatment plan provided by their emergency room physician but feel forced to accept the treatment plan because they are unaware of how to effectively exercise their right to secure appropriate and available emergency medical care. As a result, your Committee encourages the Department of Health to establish an emergency services patient advocate program to provide assistance to and advocate on behalf of patients receiving emergency medical services and 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 concurs with the intent and purpose of S.R. No. 109 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 (Chun Oakland, Slom).

**SCRep. 1154 Health on S.C.R. No. 150**

The purpose and intent of this measure is to encourage the Department of Health to establish an emergency services patient advocate program to provide assistance to and advocate on behalf of patients receiving emergency medical services and their families.

Your Committee received testimony in support of this measure from the Community Alliance for Mental Health and two individuals. Your Committee received comments on this measure from the Department of Health.

Your Committee finds that sick and vulnerable patients and their family members can become overwhelmed during a medical emergency. Many patients are unaware of their rights regarding the treatment and care they receive from their emergency room physicians. Your Committee finds that many patients or their family members may disagree with the diagnosis or treatment plan provided by their emergency room physician but feel forced to accept the treatment plan because they are unaware of how to effectively exercise their right to secure appropriate and available emergency medical care. As a result, your Committee encourages the Department of Health to establish an emergency services patient advocate program to provide assistance to and advocate on behalf of patients receiving emergency medical services and 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 concurs with the intent and purpose of S.C.R. No. 150 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 (Chun Oakland, Slom).

**SCRep. 1155 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 57**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for survivors of traumatic brain injuries.

Your Committees received testimony in support of this measure from Kaiser Permanente and Hilo Pa'a Family to Family Health Information Center. Your Committees received comments on this measure from the Department of Health.

Your Committees find that traumatic brain injury is severe damage to the brain caused by an external force that may produce a diminished or altered state of consciousness and may result in an impairment of cognitive abilities or physical functioning. Traumatic brain injury is a leading cause of death and disability among children and young adults; however, survivors of brain injuries can lead full lives, thanks to lifesaving medical techniques and rehabilitation services. Because survivors face a long rehabilitation process that may not be covered by certain health benefit plans, your Committees find it necessary to ensure that insurers, hospital and medical service plans, and health maintenance organizations cover all forms of necessary and effective treatment for survivors of traumatic brain injuries in this State.

Your Committees have amended this measure by identifying Senate Bill No. 1227 as the appropriate bill to be assessed by the Auditor.

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. 57, 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. 57, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health



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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1156 (Joint) Health and Commerce and Consumer Protection on S.C.R. No. 52**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers to provide coverage for medically necessary treatment of orofacial anomalies.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities; Hawaii Dental Association; Special Education Advisory Group; and eight individuals. Your Committees received comments on this measure from the Department of Health.

Your Committees find that the rate of children in Hawaii with orofacial disorders is estimated to be one in every five hundred. The more commonly known orofacial anomalies include cleft lip or cleft palate, and three hundred fifty two babies were born with cleft lip or cleft palate in Hawaii between 1986 and 2005. Your Committees further find that orthodontics are the medically necessary treatments needed to proceed with subsequent reconstructive surgeries for these disorders.

Your Committees also find that orthodontics has been a covered medical benefit of the Hawaii Medicaid program for several years, and medically necessary orthodontics are included as an essential health benefit under pediatric oral health in the State's healthcare benefits package. Your Committees also note, however, that orthodontics are not included as a benefit of commercial health insurance. As a result, your Committees request an assessment of the social and financial effects of requiring health insurers to provide coverage for medically necessary treatment of orofacial anomalies.

Your Committees have amended this measure by:

- (1) Removing all references to sections 23-51 and 23-52, Hawaii Revised Statutes, and the specific legislative bill mandating health insurance coverage for the treatment of orofacial anomalies to be analyzed, as no such bill was introduced during the Regular Session of 2013;
- (2) Changing all references from the Auditor to the Department of Health to request the Department of Health to perform the requested assessment;
- (3) Amending the title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on 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. 52, 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. 52, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1157 Human Services on S.C.R. No. 60**

The purpose and intent of this measure is to urge the Hawaii Public Housing Authority to initiate the sponsorship process for the United States Department of Housing and Urban Development "Step-Up" program to provide new employment and training programs for public housing residents and other low-income people.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; Network Enterprises, Inc.; and one individual.

Your Committee finds that "Step-Up" is a national program developed by the United States Department of Housing and Urban Development in cooperation with the federal United States Department of Labor and the National Association of Housing and Redevelopment Offices to provide jobs and job training opportunities on Department of Housing and Urban Development assisted construction to residents of public housing and other low-income people. Public housing authorities are authorized to sponsor "Step-Up" programs, which entail organizing and administering all components of the program, and are encouraged to work with local training providers, such as non-profits, who know and administer workforce development and job training programs.

Your Committee further finds that "Step-Up" participants can earn wages that are excluded from income for rent determination purposes, and the program provides real economic opportunities and upward wage earning potential, thus enabling participants to graduate from public housing to other permanent, unsubsidized housing options, which in turn frees up units for those on waiting lists.

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

As affirmed by the record of votes of the members of your Committee on Human Services that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, 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. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1158 Human Services on S.C.R. No. 111**

The purpose and intent of this measure is to request the Executive Office on Aging to continue its research of the timebanking concept for Hawaii's respite system.

Your Committee received testimony in support of this measure from the Executive Office on Aging and Community Alliance for Mental Health.

Your Committee finds that respite services offer a temporary break to caregivers from their ongoing responsibility of caring for an individual of any age.

Your Committee further finds that the Executive Office on Aging recognizes that each year the State is asked to fund numerous home and community-based social service programs that support Hawaii's family caregivers and their respite needs, such as Kupuna Care. Alternative forms of currency to support increasing community needs are being explored locally, nationally, and internationally. The concept of timebanking helps transform public services by introducing a new form of currency called "time dollars". Timebanking may offer a more sustainable provision of social services and may strengthen Hawaii's communities by building on individual strengths and recognizing that everyone in our community has something to offer.

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. 111 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 (Green, Taniguchi).

**SCRep. 1159 Human Services on S.R. No. 77**

The purpose and intent of this measure is to request the Executive Office on Aging to continue its research of the timebanking concept for Hawaii's respite system.

Your Committee received testimony in support of this measure from the Executive Office on Aging and Community Alliance for Mental Health.

Your Committee finds that respite services offer a temporary break to caregivers from their ongoing responsibility of caring for an individual of any age.

Your Committee further finds that the Executive Office on Aging recognizes that each year the State is asked to fund numerous home and community-based social service programs that support Hawaii's family caregivers and their respite needs, such as Kupuna Care. Alternative forms of currency to support increasing community needs are being explored locally, nationally, and internationally. The concept of timebanking helps transform public services by introducing a new form of currency called "time dollars". Timebanking may offer a more sustainable provision of social services and may strengthen Hawaii's communities by building on individual strengths and recognizing that everyone in our community has something to offer.

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. 77 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 (Green, Taniguchi).

**SCRep. 1160 (Joint) Energy and Environment and Commerce and Consumer Protection on S.C.R. No. 37**

The purpose and intent of this measure is to request the Public Utilities Commission to establish a stranded cost recovery mechanism to encourage the accelerated retirement of electric utility fossil fuel electric generation plants.

Your Committees received testimony in support of this measure from Sierra Club Hawaii. Your Committees received comments on this measure from the Public Utilities Commission and the Department of Commerce and Consumer Affairs.

Your Committees find that the overall efficiency of a modern fossil fuel electric generation plant is about forty percent, meaning that sixty percent of the energy input to the system is wasted. These efficiencies, however, may be as low as thirty percent in some older plants. Your Committees further find that electric utilities may have financial difficulties in retiring these fossil fuel plants due to the fact that shutting down the plant without a plan for cost recovery of investments in that plant means that those costs usually cannot be made up. Utilities need a means of recovering stranded costs due to early retirement of power plants for the purpose of switching power source from fossil to renewable fuels. In light of this, your Committees would like more information on the factors, including stranded cost recovery, that play into the electric utilities' decision not to retire any of their oil-fired generation plants and the relative importance of those factors.

Your Committees have amended this measure by:

- (1) Deleting the language requesting the Public Utilities Commission to establish a stranded cost recovery mechanism;
- (2) Inserting language to request the Public Utilities Commission to take into consideration:
  - (A) Whether stranded costs are a significant factor in the electric utilities' failure to retire old, oil-fired generation plants; and
  - (B) Any appropriate measures that would encourage the electric utilities to retire old, oil-fired generation plants and the potential impact this would have on ratepayers; and
- (3) Changing the title of the measure accordingly; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 37, 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. 37, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Nishihara, Taniguchi).

**SCRep. 1161 (Joint) Agriculture and Water and Land on S.C.R. No. 177**

The purpose and intent of this measure is to urge the State to purchase approximately 22,500 acres of agricultural land from Dole Food Company, Inc.

Your Committees received testimony in support of this measure from the Trust for Public Land, Dole Food Company Hawaii, and Hawaii Farm Bureau Federation.

Pursuant to the Hawaii State Constitution, the State is obligated to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Your Committees find that one of the principal ways the State can promote agriculture is to provide public lands at reasonable costs and with long-term leases to farmers. By purchasing agricultural land from Dole Food Company, Inc., the State will not only conserve valuable agricultural land but also provide a large inventory of land for disbursement to new and existing agricultural entrepreneurs.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 177 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Slom).

**SCRep. 1162 (Joint) Agriculture and Water and Land on S.R. No. 133**

The purpose and intent of this measure is to urge the State to purchase approximately 22,500 acres of agricultural land from Dole Food Company, Inc.

Your Committees received testimony in support of this measure from the Trust for Public Land, Dole Food Company Hawaii, and Hawaii Farm Bureau Federation.

Pursuant to the Hawaii State Constitution, the State is obligated to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands. Your Committees find that one of the principal ways the State can promote agriculture is to provide public lands at reasonable costs and with long-term leases to farmers. By purchasing agricultural land from Dole Food Company, Inc., the State will not only conserve valuable agricultural land but also provide a large inventory of land for disbursement to new and existing agricultural entrepreneurs.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 133 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Slom).

**SCRep. 1163 (Joint) Agriculture and Water and Land on S.C.R. No. 122**

The purpose and intent of this measure is to urge the Department of Agriculture to implement a schedule of reduced irrigation water toll rates and charges for agricultural enterprises on the island of Hawaii that differentiates among different irrigation system areas to increase the use of irrigation water to promote the development and expansion of Hawaii-grown agricultural commodities.

Your Committees received testimony in support of this measure from 4 Ag Hawaii; Hawaii Cattlemen's Council, Inc.; Hawaii Aquaculture and Aquaponics Association; Ulupono Initiative; Kukaiau Ranch LLC; Ponohele Ranch, Ltd.; Ulupalakua Ranch; Barbed S Ranch LLC; Kahua Ranch, Ltd.; Hawaii Farm Bureau Federation; and four individuals.

Your Committees find that expanding local agricultural production is vital to the State's economic and sustainable future. Differentiating water rates on the island of Hawaii will result in reduced irrigation water toll rates and charges and promote increased agricultural, livestock, and poultry production.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Agriculture is requested to implement a schedule of reduced irrigation water toll rates and charges for the Hamakua District, in addition to the island of Hawaii;
- (2) Amending the title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 122, 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. 122, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Slom).

**SCRep. 1164 (Joint) Agriculture and Water and Land on S.R. No. 85**

The purpose and intent of this measure is to urge the Department of Agriculture to implement a schedule of reduced irrigation water toll rates and charges for agricultural enterprises on the island of Hawaii that differentiates among different irrigation system areas to increase the use of irrigation water to promote the development and expansion of Hawaii-grown agricultural commodities.

Your Committees received testimony in support of this measure from 4 Ag Hawaii; Hawaii Cattlemen's Council, Inc.; Hawaii Aquaculture and Aquaponics Association; Ulupono Initiative; Kukaiau Ranch LLC; Ponoholo Ranch, Ltd.; Ulupalakua Ranch; Barbed S Ranch LLC; Kahua Ranch, Ltd.; Hawaii Farm Bureau Federation; and four individuals.

Your Committees find that expanding local agricultural production is vital to the State's economic and sustainable future. Differentiating water rates on the island of Hawaii will result in reduced irrigation water toll rates and charges and promote increased agricultural, livestock, and poultry production.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Agriculture is requested to implement a schedule of reduced irrigation water toll rates and charges for the Hamakua District, in addition to the island of Hawaii;
- (2) Amending the title accordingly; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 85, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 85, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Slom).

**SCRep. 1165 (Joint) Agriculture and Water and Land on S.C.R. No. 98**

The purpose and intent of this measure is to urge the Department of Agriculture, with the assistance of the Commission on Water Resource Management, to conduct a comprehensive study regarding the feasibility of a permeable surfaces tax credit and reports its findings and recommendations, including any proposed legislation, to the Legislature 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 five individuals. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that groundwater aquifers require a sufficient amount of recharge to meet the increasing demands for water. Agricultural operations that maintain a permeable land surface, allowing water to percolate down to groundwater aquifers, increase groundwater storage and the supply of water. Businesses and farmers that provide this public service should be rewarded for this service to promote the further use of this ecological practice.

Your Committees have amended this measure by:

- (1) Requesting that the University of Hawaii College of Tropical Agriculture and Human Resources, rather than the Department of Agriculture alone, spearhead the permeable surfaces tax credit study and submit a report to the Legislature;
- (2) Amending the items to be addressed by the study to also include consideration of methods of compensation other than a tax credit that may best incentivize agricultural operations to maintain permeable surfaces;
- (3) Amending the title accordingly; and

- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 98, 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. 98, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Slom).

**SCRep. 1166 (Joint) Agriculture and Water and Land on S.R. No. 64**

The purpose and intent of this measure is to urge the Department of Agriculture, with the assistance of the Commission on Water Resource Management, to conduct a comprehensive study regarding the feasibility of a permeable surfaces tax credit and reports its findings and recommendations, including any proposed legislation, to the Legislature 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 five individuals. Your Committees received comments on this measure from the Department of Taxation.

Your Committees find that groundwater aquifers require a sufficient amount of recharge to meet the increasing demands for water. Agricultural operations that maintain a permeable land surface, allowing water to percolate down to groundwater aquifers, increase groundwater storage and the supply of water. Businesses and farmers that provide this public service should be rewarded for this service to promote the further use of this ecological practice.

Your Committees have amended this measure by:

- (1) Requesting that the University of Hawaii College of Tropical Agriculture and Human Resources, rather than the Department of Agriculture alone, spearhead the permeable surfaces tax credit study and submit a report to the Legislature;
- (2) Amending the items to be addressed by the study to also include consideration of methods of compensation other than a tax credit that may best incentivize agricultural operations to maintain permeable surfaces;
- (3) Amending the title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 64, 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. 64, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Slom).

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Slom).

**SCRep. 1167 Public Safety, Intergovernmental and Military Affairs on S.R. No. 79**

The purpose and intent of this measure is to request the Hawaii Paroling Authority to thoroughly consider granting parole to individuals serving sentences for Class A felonies eighteen months before the expiration of their maximum term; individuals serving sentences for Class B felonies twelve months before the expiration of their maximum term; and individuals serving sentences for Class C felonies six months before the expiration of their maximum term.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and two individuals.

Your Committee finds that inmates who are released at the end of their maximum term with no supervision recidivate at a higher rate than inmates placed on parole. This measure is intended to provide support to long term inmates so that when these individuals are released, they may return to the community as productive, law abiding citizens.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 79 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1168 Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 115**

The purpose and intent of this measure is to request the Hawaii Paroling Authority to thoroughly consider granting parole to individuals serving sentences for Class A felonies eighteen months before the expiration of their maximum term; individuals serving sentences for Class B felonies twelve months before the expiration of their maximum term; and individuals serving sentences for Class C felonies six months before the expiration of their maximum term.

Your Committee received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and two individuals.

Your Committee finds that inmates who are released at the end of their maximum term with no supervision recidivate at a higher rate than inmates placed on parole. This measure is intended to provide support to long term inmates so that when these individuals are released, they may return to the community as productive, law abiding citizens.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1169 (Joint) Tourism and Hawaiian Affairs and Economic Development, Government Operations and Housing on S.R. No. 140**

The purpose and intent of this measure is to convene a working group to discuss and propose legislation that, in summary:

- (1) Ensures sufficient funds, as required by the Hawaii State Constitution, are provided by the State to the Department of Hawaiian Home Lands;
- (2) Generates revenues for the general fund and the Department of Hawaiian Home Lands;
- (3) Considers the costs and benefits of authorizing the creation of native Hawaiian corporate entities;
- (4) Considers vehicles for obtaining revenue that will not require up-front costs, including the appropriate use of public-private joint ventures; and
- (5) Generates revenue using lands and assets that are not Hawaiian home land trust lands.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands and the Association of Hawaiian Civic Clubs. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that due to the recent economic recession and diminishing funds in the Department of Hawaiian Home Lands and Office of Hawaiian Affairs, innovative streams of funding are necessary to secure the future of native Hawaiian programs. This measure will facilitate discussions among various agencies to identify long-term financial solutions to ensure the future of these programs. Your Committees note, however, that this discussion should take place between beneficiaries of the Hawaiian homelands trust and the Office of Hawaiian Affairs.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the statement that the State's "obligation, currently valued at \$15,000,000 per year, not only runs in perpetuity but also requires a back payment";
- (2) Changing the composition of the working group to include the Chairperson of the Sovereign Councils of the Hawaiian Homelands Assembly Executive Council; President of the Association of Hawaiian Civic Clubs; and other appropriate native Hawaiian beneficiaries and constituents, rather than the Director of Finance; Director of Business, Economic Development, and Tourism; and the Attorney General; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 140, 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. 140, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Solomon).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 1170 (Joint) Tourism and Hawaiian Affairs and Economic Development, Government Operations and Housing on S.C.R. No. 184**

The purpose and intent of this measure is to convene a working group to discuss and propose legislation that, in summary:

- (1) Ensures sufficient funds, as required by the Hawaii State Constitution, are provided by the State to the Department of Hawaiian Home Lands;
- (2) Generates revenues for the general fund and the Department of Hawaiian Home Lands;
- (3) Considers the costs and benefits of authorizing the creation of native Hawaiian corporate entities;
- (4) Considers vehicles for obtaining revenue that will not require up-front costs, including the appropriate use of public-private joint ventures; and

- (5) Generates revenue using lands and assets that are not Hawaiian home land trust lands.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands and the Association of Hawaiian Civic Clubs. Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of the Attorney General.

Your Committees find that due to the recent economic recession and diminishing funds in the Department of Hawaiian Home Lands and Office of Hawaiian Affairs, innovative streams of funding are necessary to secure the future of native Hawaiian programs. This measure will facilitate discussions among various agencies to identify long-term financial solutions to ensure the future of these programs. Your Committees note, however, that this discussion should take place between beneficiaries of the Hawaiian homelands trust and the Office of Hawaiian Affairs.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the statement that the State's "obligation, currently valued at \$15,000,000 per year, not only runs in perpetuity but also requires a back payment";
- (2) Changing the composition of the working group to include the Chairperson of the Sovereign Councils of the Hawaiian Homelands Assembly Executive Council; President of the Association of Hawaiian Civic Clubs; and other appropriate native Hawaiian beneficiaries and constituents, rather than the Director of Finance; Director of Business, Economic Development, and Tourism; and the Attorney General; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 184, 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. 184, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Hee, Solomon).

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 1171 (Joint) Tourism and Hawaiian Affairs and Human Services on S.R. No. 142**

The purpose and intent of this measure is to urge the Department of Hawaiian Home Lands to consider building affordable rental housing that could be used for transitional, permanent, or rent-to-own housing for homeless native Hawaiians.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Association of Hawaiian Civic Clubs, Partners in Development Foundation, and Blueprint for Change.

Your Committees find that the housing supply in Hawaii is significantly less than the demand and that low- and moderate-income housing is difficult to secure and afford. Although the Department of Hawaiian Home Lands generally provides affordable homes to native Hawaiians, there are many applicants on the wait list who cannot afford the typical home. Providing affordable housing requires a comprehensive housing inventory that includes alternatives to fee simple homes.

Accordingly, your Committees have amended this measure by:

- (1) Urging the Department of Hawaiian Home Lands to consider building affordable rental housing for all native Hawaiians rather than only homeless native Hawaiians;
- (2) Amending the title for consistency; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 142, 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. 142, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

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

**SCRep. 1172 (Joint) Tourism and Hawaiian Affairs and Human Services on S.C.R. No. 186**

The purpose and intent of this measure is to urge the Department of Hawaiian Home Lands to consider building affordable rental housing that could be used for transitional, permanent, or rent-to-own housing for homeless native Hawaiians.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Association of Hawaiian Civic Clubs, Partners in Development Foundation, and Blueprint for Change.

Your Committees find that the housing supply in Hawaii is significantly less than the demand and that low- and moderate-income housing is difficult to secure and afford. Although the Department of Hawaiian Home Lands generally provides affordable homes to native Hawaiians, there are many applicants on the wait list who cannot afford the typical home. Providing affordable housing requires a comprehensive housing inventory that includes alternatives to fee simple homes.

Accordingly, your Committees have amended this measure by:

- (1) Urging the Department of Hawaiian Home Lands to consider building affordable rental housing for all native Hawaiians rather than only homeless native Hawaiians;
- (2) Amending the title for consistency; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 186, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 186, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Human Services

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

**SCRep. 1173 (Joint) Energy and Environment and Commerce and Consumer Protection on S.R. No. 108**

The purpose and intent of this measure is to urge Hawaii residents and businesses to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora and not to buy or sell ivory of unknown origin that may have been illegally smuggled into the State.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Animal Rights Hawaii, Hawaiian Humane Society, Humane Society of the United States, and twenty individuals.

Your Committees find that African elephants and rhinoceroses are being hunted to extinction due to the high price of ivory. The Convention on International Trade in Endangered Species of Wild Fauna and Flora, adopted by the United States, banned the sale of African elephant ivory in 1989. Despite international and national bans, your Committees find that one-third of ivory products sold in the United States have illegal origins. Your Committees also find that compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora as it relates to the ban on the sale of ivory products in the State will contribute to protecting African elephants and rhinoceroses from extinction.

Your Committees have amended this measure by adding a paragraph urging the various chambers of commerce of Hawaii to provide their members with copies of this measure and information about the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 108, as amended herein, and recommend that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.R. No. 108, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 1174 (Joint) Energy and Environment and Commerce and Consumer Protection on S.C.R. No. 149**

The purpose and intent of this measure is to urge Hawaii residents and businesses to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora and not to buy or sell ivory of unknown origin that may have been illegally smuggled into the State.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Animal Rights Hawaii, Hawaiian Humane Society, Humane Society of the United States, and twenty individuals.

Your Committees find that African elephants and rhinoceroses are being hunted to extinction due to the high price of ivory. The Convention on International Trade in Endangered Species of Wild Fauna and Flora, adopted by the United States, banned the sale of African elephant ivory in 1989. Despite international and national bans, your Committees find that one-third of ivory products sold in the United States have illegal origins. Your Committees also find that compliance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora as it relates to the ban on the sale of ivory products in the State will contribute to protecting African elephants and rhinoceroses from extinction.

Your Committees have amended this measure by adding a paragraph urging the various chambers of commerce of Hawaii to provide their members with copies of this measure and information about the Convention on International Trade in Endangered Species of Wild Fauna and Flora.



As affirmed by the records of votes of the members of your Committees on Energy and Environment and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 149, as amended herein, and recommend that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 149, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Taniguchi).

**SCRep. 1175 Water and Land on S.R. No. 67**

The purpose and intent of this measure is to authorize the issuance of a non-exclusive easement covering a portion of state submerged lands.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as tax map key (1) 6-8-004 seaward of parcel 14. The area of the seawall comprising approximately 101 square feet has encroached on state owned submerged land prior to 1964. The owner of the subject property applied to the Land Division of the Department of Land and Natural Resources to request a grant of a fifty-five year term for a non-exclusive easement for seawall and step purposes. On December 14, 2012, under agenda item D-16, the Board of Land and Natural Resources approved the request for the term easement for seawall and step purposes.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 67 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, 1 (Dela Cruz).

**SCRep. 1176 Water and Land on S.C.R. No. 101**

The purpose and intent of this measure is to authorize the issuance of a non-exclusive easement covering a portion of state submerged lands.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as tax map key (1) 6-8-004 seaward of parcel 14. The area of the seawall comprising approximately 101 square feet has encroached on state owned submerged land prior to 1964. The owner of the subject property applied to the Land Division of the Department of Land and Natural Resources to request a grant of a fifty-five year term for a non-exclusive easement for seawall and step purposes. On December 14, 2012, under agenda item D-16, the Board of Land and Natural Resources approved the request for the term easement for seawall and step purposes.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 101 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, 1 (Dela Cruz).

**SCRep. 1177 Water and Land on S.R. No. 69**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as tax map key: (1) 6-1-003:0024-0001. The character of the use of the easement is the right, privilege, and authority to use, maintain, repair, replace, and remove the existing seawall over, under, and across state-owned land. The owners of the subject property applied to the Land Division of the Department of Land and Natural Resources to request a grant of a fifty-five year term for a non-exclusive easement for seawall purposes. On January 11, 2013, under agenda item D-13, the Board of Land and Natural Resources authorized the easement request.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 69 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1178 Water and Land on S.C.R. No. 103**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as tax map key: (1) 6-1-003:0024-0001. The character of the use of the easement is the right, privilege, and authority to use, maintain, repair, replace, and remove the existing seawall over, under, and across state-owned land. The owners of the subject property applied to the Land Division of the Department of Land and Natural Resources to request a grant of a fifty-five year term for a non-exclusive easement for seawall purposes. On January 11, 2013, under agenda item D-13, the Board of Land and Natural Resources authorized the easement request.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103 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, 1 (Dela Cruz).

**SCRep. 1179 Water and Land on S.R. No. 72**

The purpose and intent of this measure is authorize the Board of Land and Natural Resources to issue a non-exclusive easement for a fifty-five year term covering that portion of state submerged lands located in Honolulu for purposes of renovation and construction of a pier, subject to limitations and conditions to be determined by the Board of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as tax map key (1) 3-6-001-021, in which a portion of the pier encroaches into the state-owned submerged land. The seaward boundary of the subject property fronts the ocean, and a pier straddles the seaward boundary of the subject property and submerged public land, which is state-owned. The owners of the property seek renovation and construction of a pier at the subject property.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 72 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, 1 (Dela Cruz).

**SCRep. 1180 Water and Land on S.C.R. No. 106**

The purpose and intent of this measure is authorize the Board of Land and Natural Resources to issue a non-exclusive easement for a fifty-five year term covering that portion of state submerged lands located in Honolulu for purposes of renovation and construction of a pier, subject to limitations and conditions to be determined by the Board of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as tax map key (1) 3-6-001-021, in which a portion of the pier encroaches into the state-owned submerged land. The seaward boundary of the subject property fronts the ocean, and a pier straddles the seaward boundary of the subject property and submerged public land, which is state-owned. The owners of the property seek renovation and construction of a pier at the subject property.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106 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, 1 (Dela Cruz).

**SCRep. 1181 Water and Land on S.R. No. 71**

The purpose and intent of this measure is authorize the Board of Land and Natural Resources to issue a non-exclusive easement for a fifty-five year term covering that portion of state submerged lands located in Makaha, Waianae, Oahu, for purposes of renovation and construction of a seawall, subject to limitations and conditions to be determined by the Board of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The seaward boundary of the property fronts the ocean, and a seawall straddles the seaward boundary of the property and submerged public land, which is state-owned and identified by tax map key number (1) 8-4-005:002 seaward of parcel 2.

A portion of the seawall encroaches into the state-owned submerged land. The area of the seawall comprises approximately one hundred thirty-one square feet and comprises a portion of the state-owned submerged land. The character of use of the easement is the right, privilege, and authority to use, maintain, repair, replace, and remove the seawall over, under, and across state-owned land.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 1 (Dela Cruz).

**SCRep. 1182 Water and Land on S.C.R. No. 105**

The purpose and intent of this measure is authorize the Board of Land and Natural Resources to issue a non-exclusive easement for a fifty-five year term covering that portion of state submerged lands located in Makaha, Waianae, Oahu, for purposes of renovation and construction of a seawall, subject to limitations and conditions to be determined by the Board of Land and Natural Resources.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The seaward boundary of the property fronts the ocean, and a seawall straddles the seaward boundary of the property and submerged public land, which is state-owned and identified by tax map key number (1) 8-4-005:002 seaward of parcel 2.

A portion of the seawall encroaches into the state-owned submerged land. The area of the seawall comprises approximately one hundred thirty-one square feet and comprises a portion of the state-owned submerged land. The character of use of the easement is the right, privilege, and authority to use, maintain, repair, replace, and remove the seawall over, under, and across state-owned land.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1183 (Joint) Water and Land and Judiciary and Labor on S.R. No. 68**

The purpose and intent of this measure is to request the Auditor to conduct an audit of the Kapiolani Park Trust to evaluate its governance structure and identify the permissible uses of the park lands, including delineating any limitations on commercial or other inconsistent uses that may fall outside the scope of the trust's purpose or may constitute waste of the trust property.

Your Committees received testimony in support of this measure from the Kapiolani Park Preservation Society, Kapiolani Park Advisory Council, and Oahu Park Conservancy.

Your Committees find that Kapiolani Park is a popular venue for various public functions, including amateur sporting events, cultural fairs, and family gatherings that are all well attended by Hawaii residents and visitors. There is a significant public interest in maintaining the existing nature and character of Kapiolani Park through the preservation of its open space for the public's benefit in perpetuity and of the Park's historic value.

The recent proposal from the City and County of Honolulu to use land next to the Waikiki Aquarium to develop a new ocean safety substation has raised concerns of whether the proposal is a permissible use of park property under the trust instrument. A decision on the proposal as a permissible use will likely be based on whether the use of park property for an ocean safety substation demonstrates a sufficient nexus with the use and care of the park. This decision has the potential of establishing a precedent regarding how the park space may be used in the future.

Your Committees further find that defining commercial and other inconsistent uses and burdens and outlining limitations on such uses within the park should be addressed to better enable the general public, as sole beneficiary, and the members of the Honolulu City Council, as trustees, to differentiate between acceptable and non-acceptable public and private uses of Kapiolani Park and maintain transparency and accountability among the trustees and beneficiaries.

Your Committees request that the trustees of the Kapiolani Park Trust seek guidance from the courts prior to making any decisions involving usage of the Kapiolani Park land in order to ensure that any use or lease is congruent with the intended purpose of the Kapiolani Park Trust.

As affirmed by the records of votes of the members of your Committees on Water and Land 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 that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Thielen).

Judiciary and Labor

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

**SCRep. 1184 (Joint) Water and Land and Judiciary and Labor on S.C.R. No. 102**

The purpose and intent of this measure is to request the Auditor to conduct an audit of the Kapiolani Park Trust to evaluate its governance structure and identify the permissible uses of the park lands, including delineating any limitations on commercial or other inconsistent uses that may fall outside the scope of the trust's purpose or may constitute waste of the trust property.

Your Committees received testimony in support of this measure from the Kapiolani Park Preservation Society, Kapiolani Park Advisory Council, and Oahu Park Conservancy.

Your Committees find that Kapiolani Park is a popular venue for various public functions, including amateur sporting events, cultural fairs, and family gatherings that are all well attended by Hawaii residents and visitors. There is a significant public interest in maintaining the existing nature and character of Kapiolani Park through the preservation of its open space for the public's benefit in perpetuity and of the Park's historic value.

The recent proposal from the City and County of Honolulu to use land next to the Waikiki Aquarium to develop a new ocean safety substation has raised concerns of whether the proposal is a permissible use of park property under the trust instrument. A decision on

the proposal as a permissible use will likely be based on whether the use of park property for an ocean safety substation demonstrates a sufficient nexus with the use and care of the park. This decision has the potential of establishing a precedent regarding how the park space may be used in the future.

Your Committees further find that defining commercial and other inconsistent uses and burdens and outlining limitations on such uses within the park should be addressed to better enable the general public, as sole beneficiary, and the members of the Honolulu City Council, as trustees, to differentiate between acceptable and non-acceptable public and private uses of Kapiolani Park and maintain transparency and accountability among the trustees and beneficiaries.

Your Committees request that the trustees of the Kapiolani Park Trust seek guidance from the courts prior to making any decisions involving usage of the Kapiolani Park land in order to ensure that any use or lease is congruent with the intended purpose of the Kapiolani Park Trust.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor 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 Ways and Means.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ruderman, Thielen).

Judiciary and Labor

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

**SCRep. 1185 (Joint) Water and Land and Judiciary and Labor on S.R. No. 125**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources, in consultation with the Department of the Attorney General, to explore feasible options relating to liability for injury or damage sustained while mountain climbing, rock climbing, rappelling, and bouldering on public land.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources. Your Committees received comments on this measure from the Hawaii Association for Justice.

Your Committees find that there is an increasing trend in public recreation throughout the United States and Hawaii to pursue the activities of bouldering, rock climbing, mountain climbing, rappelling, and related activities that require special skills and equipment and specific geologic features with unique qualities. These climbing areas are often in remote areas, sometimes only accessible through private property. It would not be possible, feasible, or desirable for the State to erect fences, post signs, or limit access to all of the potential remote and unmanaged areas that members of the public may use to engage in climbing activities.

Your Committees further find that because of the dangers inherent in climbing activities, injuries and accidents are inevitable, and the State will continually be open to lawsuits. The preferred action is not to close off sites, prohibit access, or impose fines when the public access a prohibited area; however, there may not be much choice if the State can be sued for every injury that occurs as a result of these climbing activities.

Your Committees have amended this measure by inserting language to urge the Department of Land and Natural Resources, in consultation with the Department of the Attorney General, to examine the possibility of requiring those engaging in mountain climbing, rock climbing, rappelling, and bouldering to obtain insurance through a rock climbing organization to protect the State from liability.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 125, 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. 125, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ruderman).

Judiciary and Labor

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

**SCRep. 1186 (Joint) Water and Land and Judiciary and Labor on S.C.R. No. 168**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources, in consultation with the Department of the Attorney General, to explore feasible options relating to liability for injury or damage sustained while mountain climbing, rock climbing, rappelling, and bouldering on public land.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources. Your Committees received comments on this measure from the Hawaii Association for Justice.

Your Committees find that there is an increasing trend in public recreation throughout the United States and Hawaii to pursue the activities of bouldering, rock climbing, mountain climbing, rappelling, and related activities that require special skills and equipment and specific geologic features with unique qualities. These climbing areas are often in remote areas, sometimes only accessible through private property. It would not be possible, feasible, or desirable for the State to erect fences, post signs, or limit access to all of the potential remote and unmanaged areas that members of the public may use to engage in climbing activities.

Your Committees further find that because of the dangers inherent in climbing activities, injuries and accidents are inevitable, and the State will continually be open to lawsuits. The preferred action is not to close off sites, prohibit access, or impose fines when the

public access a prohibited area; however, there may not be much choice if the State can be sued for every injury that occurs as a result of these climbing activities.

Your Committees have amended this measure by inserting language to urge the Department of Land and Natural Resources, in consultation with the Department of the Attorney General, to examine the possibility of requiring those engaging in mountain climbing, rock climbing, rappelling, and bouldering to obtain insurance through a rock climbing organization to protect the State from liability.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 168, 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. 168, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ruderman).

Judiciary and Labor

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

**SCRep. 1187 Water and Land on S.R. No. 70**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources and the National Oceanic and Atmospheric Administration to recognize the increasing threat that ocean vessels present to humpback whales within the Hawaiian Islands Humpback Whale National Marine Sanctuary through stronger safety, penalty, monitoring, and reporting requirements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaiian Islands Humpback Whale National Marine Sanctuary, The Humane Society of the United States, Ocean Tourism Coalition, Conservation Council for Hawaii, Outrigger Hotels, and three individuals. Your Committee received testimony in opposition to this measure from the Maui Dive Shop, Maui Trailer Boat Club, and one individual. Your Committee received comments on this measure from one individual.

The Kumulipo, the native Hawaiian chant of creation, states: “Hanau ka palaoa noho I kai” — born is the whale living in the ocean. The humpback whale, koholā, holds a sacred place within native Hawaiian history as illustrated by its inclusion in the Kumulipo. The humpback whale is also prevalent in ancient Hawaiian petroglyphs and legends that further illustrate the humpback whale’s cultural and historical importance to Hawaiians. Over sixty percent of the North Pacific humpback whales that begin their migration in the Gulf of Alaska find their way to Hawaii’s waters. The humpback whale is nationally protected by the Federal Endangered Species Act and Marine Mammal Protection Act.

In 1992, recognizing the importance of the Hawaiian Islands to the preservation of humpback whales, the United States Congress created the Hawaiian Islands Humpback Whale National Marine Sanctuary to be overseen by the National Oceanic and Atmospheric Administration (NOAA).

In 1998, the State of Hawaii entered into a Compact Agreement with NOAA for the coordinated management of the Hawaiian Islands Humpback Whale National Marine Sanctuary in order to combine resources and share expertise on the protection of the humpback whale.

In spite of the apparent efforts of the Department of Land and Natural Resources and NOAA, there still has been no formalized permanent plan of protection against vessel strikes.

Your Committee has amended this measure by:

- (1) Deleting the language requesting the Department of Land and Natural Resources and NOAA to recognize the increasing threat that ocean vessels present to humpback whales within the Hawaiian Islands Humpback Whale National Marine Sanctuary and to work toward stronger safety, penalty, monitoring, and reporting requirements;
- (2) Inserting language urging the Department of Land and Natural Resources and NOAA to collaborate to form a permanent plan to protect humpback whales from vessel strikes within the Hawaiian Islands Humpback Whale National Marine Sanctuary;
- (3) Inserting language requesting the Department of Land and Natural Resources, with the assistance of NOAA, to report to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2014, a plan for the Hawaiian Islands Humpback Whale National Marine Sanctuary to address the threat from whale-vessel contacts;
- (4) Inserting language requesting the Department of Land and Natural Resources to report annually, beginning June 1, 2014, to the Legislature on confirmed whale-vessel contacts within the Hawaiian Islands Humpback Whale National Marine Sanctuary in the immediately preceding twelve months;
- (5) Clarifying the language of the whereas clauses to accurately reflect the past and ongoing activities to protect humpback whales, on the recommendation of the Department of Land and Natural Resources; and
- (6) Amending the title of the measure accordingly.

As affirmed by the record of votes of the members of your Committee on Water and Land 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, 1 (Dela Cruz).

**SCRep. 1188 Water and Land on S.C.R. No. 104**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources and the National Oceanic and Atmospheric Administration to recognize the increasing threat that ocean vessels present to humpback whales within the Hawaiian Islands Humpback Whale National Marine Sanctuary through stronger safety, penalty, monitoring, and reporting requirements.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Hawaiian Islands Humpback Whale National Marine Sanctuary, The Humane Society of the United States, Ocean Tourism Coalition, Conservation Council for Hawaii, Outrigger Hotels, and three individuals. Your Committee received testimony in opposition to this measure from the Maui Dive Shop, Maui Trailer Boat Club, and one individual. Your Committee received comments on this measure from one individual.

The Kumulipo, the native Hawaiian chant of creation, states: "Hanau ka palaoa noho i kai" — born is the whale living in the ocean. The humpback whale, koholā, holds a sacred place within native Hawaiian history as illustrated by its inclusion in the Kumulipo. The humpback whale is also prevalent in ancient Hawaiian petroglyphs and legends that further illustrate the humpback whale's cultural and historical importance to Hawaiians. Over sixty percent of the North Pacific humpback whales that begin their migration in the Gulf of Alaska find their way to Hawaii's waters. The humpback whale is nationally protected by the Federal Endangered Species Act and Marine Mammal Protection Act.

In 1992, recognizing the importance of the Hawaiian Islands to the preservation of humpback whales, the United States Congress created the Hawaiian Islands Humpback Whale National Marine Sanctuary to be overseen by the National Oceanic and Atmospheric Administration (NOAA).

In 1998, the State of Hawaii entered into a Compact Agreement with NOAA for the coordinated management of the Hawaiian Islands Humpback Whale National Marine Sanctuary in order to combine resources and share expertise on the protection of the humpback whale.

In spite of the apparent efforts of the Department of Land and Natural Resources and NOAA, there still has been no formalized permanent plan of protection against vessel strikes.

Your Committee has amended this measure by:

- (1) Deleting the language requesting the Department of Land and Natural Resources and NOAA to recognize the increasing threat that ocean vessels present to humpback whales within the Hawaiian Islands Humpback Whale National Marine Sanctuary and to work toward stronger safety, penalty, monitoring, and reporting requirements;
- (2) Inserting language urging the Department of Land and Natural Resources and NOAA to collaborate to form a permanent plan to protect humpback whales from vessel strikes within the Hawaiian Islands Humpback Whale National Marine Sanctuary;
- (3) Inserting language requesting the Department of Land and Natural Resources, with the assistance of NOAA, to report to the Legislature, no later than twenty days prior to the convening of the Regular Session of 2014, a plan for the Hawaiian Islands Humpback Whale National Marine Sanctuary to address the threat from whale-vessel contacts;
- (4) Inserting language requesting the Department of Land and Natural Resources to report annually, beginning June 1, 2014, to the Legislature on confirmed whale-vessel contacts within the Hawaiian Islands Humpback Whale National Marine Sanctuary in the immediately preceding twelve months;
- (5) Clarifying the language of the whereas clauses to accurately reflect the past and ongoing activities to protect humpback whales, on the recommendation of the Department of Land and Natural Resources; and
- (6) Amending the title of the measure accordingly.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 104, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 104, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1189 Water and Land on S.C.R. No. 158**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Manele Bay, Lanai, for renovation of Manele Small Boat Harbor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and twenty individuals.

The subject property is identified as tax map key (2) 4-9-17:06. Coon Brothers Inc., is a Hawaii corporation that owns and operates tour boats between the islands of Maui and Lanai through three subsidiaries collectively known as Trilogy Corporation. Trilogy Corporation began conducting commercial operations from Manele Small Boat Harbor in 1973 in an area that was to become berth 24. In 1993, the Board of Land and Natural Resources and Trilogy Corporation entered into a renewable, thirty-five year lease of 18,000 square feet of undeveloped land adjacent to berth 24.

Your Committee has amended this measure by:

- (1) Inserting the tax map key number; and
- (2) Clarifying that the lease term shall run thirty-five years, rather than an extension for an additional twenty years to Boating Lease No. B-93-02, and specifying that it is to be delegated by the Chairperson of the Board of Land and Natural Resources.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 158, 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. 158, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1190 Water and Land on S.C.R. No. 126**

The purpose and intent of this measure is to authorize the issuance of a non-exclusive easement covering a portion of state submerged lands.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject land is identified as a portion of state submerged lands fronting the property identified as tax map key (1) 4-7-014: seaward of 010, Kaalaea, Koolaupoko, Oahu. The easement is for the use, maintenance, and repair of the existing seawall and encroachments. The applicants requested a term easement to resolve the encroachments containing filled land, seawall, and a small tile wall located makai of the boundary. On November 10, 2011, the Board of Land and Natural Resources authorized the issuance of a term, non-exclusive easement for seawall and filled land purposes to the owners of the abutting private property.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 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, 1 (Dela Cruz).

**SCRep. 1191 Water and Land on S.C.R. No. 69**

The purpose and intent of this measure is to authorize the issuance of a fifty-five year term, non-exclusive easement covering a portion of state submerged lands at Puamana, Lahaina, Maui, for various seawall structures, a concrete groin, and revetment footings of a historic swimming pool.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property covers a portion of state submerged lands fronting the property identified as tax map key (2) 4-6-028:001 at Puamana, Lahaina, Maui. The easement is to be used for maintenance, repair, replacement, and removal of the existing seawall structures, the concrete groin, and the revetment footings of the historic swimming pool over, under, and across state-owned land.

The Puamana Community Association owns the property located at 34 Puailima Place, Lahaina, Hawaii. The seawall structures, built in the 1930s, follow along the shoreline and provide stability and necessary coastal protection for the property. The concrete groin and revetment footings represent part of a historic swimming pool that was built in the 1930s as part of a former plantation manager's residence. Portions of the seawall structures, the concrete groin, and revetment footings of the historic swimming pool encumber a total of 1,895 square feet of state submerged land. The Office of Conservation and Coastal Lands of the Department of Land and Natural Resources has determined that the structures are existing and non-conforming, in that they were constructed prior to October 1964 and prior to the subject land being designated as a conservation district.

On October 26, 2012, under agenda item D-6, the Board of Land and Natural Resources granted approval for a fifty-five year term, non-exclusive easement to the Puamana Community Association for five shoreline encroachments (identified as Easements "E-1" through "E-5" in the February 2012 Application for Request for State Lands) for the seawall structures, the concrete groin, and the revetment footings of the historic swimming pool.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1192 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.R. No. 129**

The purpose and intent of this measure is to encourage the Department of Land and Natural Resources to lease public land to the County of Hawaii and Waimea Trails and Greenways project to allow the land to be used as a trailhead and county park.

Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that Waimea Trails and Greenways project and the County of Hawaii seek to acquire 17.6 acres of public land, identified as Tax Map Key 6-6-001:010 in Lalamilo to be used as a trailhead and county park. Waimea Trails and Greenways project and the County of Hawaii are extremely interested in the subject land, as it would allow the first phase of the Waimea Trails and Greenways project to connect to Kawaihae Road at two places. The subject land is currently under lease to a private party who has indicated that it would be willing to exchange the subject land for another parcel.

The trail effort was begun in 1994 as a community based Waimea Main Street Project and continues to meet every Monday to advocate for the trail. In 1995, the County of Hawaii accepted it as a project under the Department of Parks and Recreation. The Waimea Trails and Greenways project would provide an alternative mode of transportation through the town of Waimea, a safe place of recreation and exercise, and easy access and enjoyment of public lands and resources. Through community workdays and organizing volunteers from local schools and other groups, the Waimea Trails and Greenways Committee has cleared the corridor, removed fallen trees from the trail way and stream, made wood chips, and maintained the trail.

Your Committees have amended this measure by:

- (1) Deleting the language urging the Department of Land and Natural Resources to lease the land to the County of Hawaii and Waimea Trails and Greenways;
- (2) Inserting language to urge the County of Hawaii to continue negotiations with the private lessee of state land to mutually cancel the lease or, alternatively, to obtain a public easement in favor of the County to allow the County to proceed with its plans for the Waimea Trails and Greenways trailhead and county park;
- (3) Amending the title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 129, 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. 129, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1193 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 172**

The purpose and intent of this measure is to encourage the Department of Land and Natural Resources to lease public land to the County of Hawaii and Waimea Trails and Greenways project to allow the land to be used as a trailhead and county park.

Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that Waimea Trails and Greenways project and the County of Hawaii seek to acquire 17.6 acres of public land, identified as Tax Map Key 6-6-001:010 in Lalamilo to be used as a trailhead and county park. Waimea Trails and Greenways project and the County of Hawaii are extremely interested in the subject land, as it would allow the first phase of the Waimea Trails and Greenways project to connect to Kawaihae Road at two places. The subject land is currently under lease to a private party who has indicated that it would be willing to exchange the subject land for another parcel.

The trail effort was begun in 1994 as a community based Waimea Main Street Project and continues to meet every Monday to advocate for the trail. In 1995, the County of Hawaii accepted it as a project under the Department of Parks and Recreation. The Waimea Trails and Greenways project would provide an alternative mode of transportation through the town of Waimea, a safe place of recreation and exercise, and easy access and enjoyment of public lands and resources. Through community workdays and organizing volunteers from local schools and other groups, the Waimea Trails and Greenways Committee has cleared the corridor, removed fallen trees from the trail way and stream, made wood chips, and maintained the trail.

Your Committees have amended this measure by:

- (1) Deleting the language urging the Department of Land and Natural Resources to lease the land to the County of Hawaii and Waimea Trails and Greenways;
- (2) Inserting language to urge the County of Hawaii to continue negotiations with the private lessee of state land to mutually cancel the lease or, alternatively, to obtain a public easement in favor of the County to allow the County to proceed with its plans for the Waimea Trails and Greenways trailhead and county park;
- (3) Amending the title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 172, 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. 172, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1194 Higher Education on S.C.R. No. 78**

The purpose and intent of this measure is to request the Legislative Auditor to address the issues and concerns raised by the Senate Special Committee on Accountability relating to oversight and transparency of University of Hawaii's fiscal and operational administration.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the University of Hawai'i System.



Your Committee finds that the Senate Special Committee on Accountability raised a number of issues and concerns relating to, among other things, the oversight and transparency of the University of Hawaii's fiscal and operational administration, including the role of the Board of Regents, as well as the guidelines and procurement exemptions used by the University for outside legal, consulting, and public relations services.

While your Committee acknowledges that the University of Hawaii System is attempting to address these concerns through its own task group, your Committee believes that these issues are of statewide concern and that an audit of the University of Hawaii System by the Legislative Auditor is necessary. Your Committee notes that the audit is just one of eighteen recommendations made by the Senate Special Committee on Accountability.

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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 78, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1195 Higher Education on S.R. No. 45**

The purpose and intent of this measure is to request the Legislative Auditor to address the issues and concerns raised by the Senate Special Committee on Accountability relating to oversight and transparency of University of Hawaii's fiscal and operational administration.

Your Committee received testimony in support of this measure from one individual. Your Committee received comments on this measure from the University of Hawai'i System.

Your Committee finds that the Senate Special Committee on Accountability raised a number of issues and concerns relating to, among other things, the oversight and transparency of the University of Hawaii's fiscal and operational administration, including the role of the Board of Regents, as well as the guidelines and procurement exemptions used by the University for outside legal, consulting, and public relations services.

While your Committee acknowledges that the University of Hawaii System is attempting to address these concerns through its own task group, your Committee believes that these issues are of statewide concern and that an audit of the University of Hawaii System by the Legislative Auditor is necessary. Your Committee notes that the audit is just one of eighteen recommendations made by the Senate Special Committee on Accountability.

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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 45, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 45, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1196 (Joint) Higher Education and Judiciary and Labor on S.C.R. No. 110**

The purpose and intent of this measure is to request the Board of Regents and the President of the University of Hawaii to give preference to local candidates when hiring for executive personnel positions at the University of Hawaii.

Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that the University of Hawaii has a history of hiring candidates who reside from out of state to fill executive positions. Over the last twelve years, the University has paid over \$2,500,000 in contract buyouts for various executive personnel, many of whom were out-of-state hires.

Your Committees further find that there may be qualified and talented individuals who reside within our State or have strong ties to the State and could fill these executive positions but may have been overlooked because of the University's penchant for hiring individuals from out of state.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 110, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.C.R. No. 110, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Judiciary and Labor

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1197 (Joint) Higher Education and Judiciary and Labor on S.R. No. 76**

The purpose and intent of this measure is to request the Board of Regents and the President of the University of Hawaii to give preference to local candidates when hiring for executive personnel positions at the University of Hawaii.

Your Committees received comments on this measure from the University of Hawai'i System.

Your Committees find that the University of Hawaii has a history of hiring candidates who reside from out of state to fill executive positions. Over the last twelve years, the University has paid over \$2,500,000 in contract buyouts for various executive personnel, many of whom were out-of-state hires.

Your Committees further find that there may be qualified and talented individuals who reside within our State or have strong ties to the State and could fill these executive positions but may have been overlooked because of the University's penchant for hiring individuals from out of state.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 76, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 76, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Judiciary and Labor

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1198 Higher Education on S.C.R. No. 132**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to establish a formal association with and provide sufficient funding for the RISE 21st Century After School Program.

Your Committee received testimony in support of this measure from the RISE 21st Century After School Program and three individuals.

Your Committee finds that the RISE 21st Century After School Program's mission is to serve underprivileged Native Hawaiian youth in the Hilo district. The RISE 21st Century After School Program helps to build self-confidence in these students by engaging them in culture-based learning programs.

A formal association between the RISE 21st Century After School Program and the University of Hawaii at Hilo will serve as a permanent bridge between the University and the Native Hawaiian community in Hilo. This association will provide a pathway for student participants in the RISE 21st Century After School Program to be successful in college and in life.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1199 Higher Education on S.R. No. 94**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to establish a formal association with and provide sufficient funding for the RISE 21st Century After School Program.

Your Committee received testimony in support of this measure from the RISE 21st Century After School Program and three individuals.

Your Committee finds that the RISE 21st Century After School Program's mission is to serve underprivileged Native Hawaiian youth in the Hilo district. The RISE 21st Century After School Program helps to build self-confidence in these students by engaging them in culture-based learning programs.

A formal association between the RISE 21st Century After School Program and the University of Hawaii at Hilo will serve as a permanent bridge between the University and the Native Hawaiian community in Hilo. This association will provide a pathway for student participants in the RISE 21st Century After School Program to be successful in college and in life.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 94 and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1200 (Joint) Higher Education and Commerce and Consumer Protection on S.C.R. No. 119**

The purpose and intent of this measure is to request the Auditor to conduct a study of the regulation of unaccredited degree granting institutions in the State.

Your Committees received testimony in support of this measure from the Office of Consumer Protection.

Your Committees find that Hawaii is one of a small number of states that does not license, approve, or prohibit unaccredited degree granting institutions. Such institutions are only subject to chapter 446E, Hawaii Revised Statutes, which requires institutions to disclose that they are not accredited by any nationally recognized accrediting agency listed by the United States Secretary of Education.

The Internet has caused an influx of unaccredited degree granting institutions attempting to do business in the State and has resulted in an increase in the number of complaints received by the Office of Consumer Affairs.

In order to better protect Hawaii consumers and to curb Hawaii's reputation as a state that allows for "diploma mills", your Committees believe that a sunrise analysis is necessary to evaluate the current and alternative forms of regulating unaccredited degree granting institutions.

Your Committees have amended this measure by:

- (1) Amending the title for clarity;
- (2) Requesting that the Auditor's report to the Legislature include any proposed legislation; 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 Higher Education and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 119, 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. 119, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1201 (Joint) Higher Education and Commerce and Consumer Protection on S.R. No. 83**

The purpose and intent of this measure is to request the Auditor to conduct a study of the regulation of unaccredited degree granting institutions in the State.

Your Committees received testimony in support of this measure from the Office of Consumer Protection.

Your Committees find that Hawaii is one of a small number of states that does not license, approve, or prohibit unaccredited degree granting institutions. Such institutions are only subject to chapter 446E, Hawaii Revised Statutes, which requires institutions to disclose that they are not accredited by any nationally recognized accrediting agency listed by the United States Secretary of Education.

The Internet has caused an influx of unaccredited degree granting institutions attempting to do business in the State and has resulted in an increase in the number of complaints received by the Office of Consumer Affairs.

In order to better protect Hawaii consumers and to curb Hawaii's reputation as a state that allows for "diploma mills", your Committees believe that a sunrise analysis is necessary to evaluate the current and alternative forms of regulating unaccredited degree granting institutions.

Your Committees have amended this measure by:

- (1) Amending the title for clarity;
- (2) Requesting that the Auditor's report to the Legislature include any proposed legislation; 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 Higher Education and Commerce and Consumer Protection that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 83, 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. 83, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1202 Higher Education on S.C.R. No. 199**

The purpose and intent of this measure is to urge the Board of Regents of the University of Hawaii to establish a three-year moratorium on any increases of resident tuition.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

Your Committee finds that the University of Hawaii System is one of five public institutions in the United States with the fastest rates of increase in tuition and fees in the past five years.

Your Committee further finds that the Board of Regents recently revised its Executive Policy E6.201, which establishes tuition schedules for the academic years of 2012-2013 through 2016-2017, with year-to-year tuition increases of approximately 3.1 percent in 2012-2013, 5.5 percent in 2013-2014, and 7.5 percent in each of the academic years 2014-2015, 2015-2016, and 2016-2017.

Your Committee notes that the University of Hawaii System testified that it has adjusted the tuition schedule due, in part, to the need to address its backlog of deferred maintenance projects. It is unclear if the tuition will be further adjusted based upon the University's receipt of an appropriation during this legislative session for its deferred maintenance projects.

Your Committee has amended this measure by:

- (1) Updating the tuition information to accurately reflect the latest tuition schedules as approved by the Board of Regents;
- (2) Requesting the Board of Regents to report its findings and recommendations to the Legislature promptly upon the completion of its 2014 mid-schedule review of the tuition increases; 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 199, 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. 199, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1203 Higher Education on S.R. No. 151**

The purpose and intent of this measure is to urge the Board of Regents of the University of Hawaii to establish a three-year moratorium on any increases of resident tuition.

Your Committee received testimony in opposition to this measure from the University of Hawai'i System.

Your Committee finds that the University of Hawaii System is one of five public institutions in the United States with the fastest rates of increase in tuition and fees in the past five years.

Your Committee further finds that the Board of Regents recently revised its Executive Policy E6.201, which establishes tuition schedules for the academic years of 2012-2013 through 2016-2017, with year-to-year tuition increases of approximately 3.1 percent in 2012-2013, 5.5 percent in 2013-2014, and 7.5 percent in each of the academic years 2014-2015, 2015-2016, and 2016-2017.

Your Committee notes that the University of Hawaii System testified that it has adjusted the tuition schedule due, in part, to the need to address its backlog of deferred maintenance projects. It is unclear if the tuition will be further adjusted based upon the University's receipt of an appropriation during this legislative session for its deferred maintenance projects.

Your Committee has amended this measure by:

- (1) Updating the tuition information to accurately reflect the latest tuition schedules as approved by the Board of Regents;
- (2) Requesting the Board of Regents to report its findings and recommendations to the Legislature promptly upon the completion of its 2014 mid-schedule review of the tuition increases; 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 Higher Education that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 151, 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. 151, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

**SCRep. 1204 (Joint) Higher Education and Agriculture on S.C.R. No. 198**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to conduct an outreach program, perform a needs assessment, and establish a higher education learning center in the district of Puna on the island of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Hilo, Malama O Puna, and six individuals.

Your Committees find that the district of Puna on the island of Hawaii is a prime location for establishing a higher education learning center that can identify educational and training needs in the district, design a business incubator approach to support job growth in the area, and focus on outreach to increase agriculture production and processed products for local markets utilizing emerging engineering programs. If successful, the higher education learning center in Puna can serve as a model for other rural areas in the State.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 198 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Thielen).

**SCRep. 1205 (Joint) Higher Education and Agriculture on S.R. No. 150**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to conduct an outreach program, perform a needs assessment, and establish a higher education learning center in the district of Puna on the island of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawai'i System, University of Hawai'i at Hilo, Malama O Puna, and six individuals.

Your Committees find that the district of Puna on the island of Hawaii is a prime location for establishing a higher education learning center that can identify educational and training needs in the district, design a business incubator approach to support job growth in the area, and focus on outreach to increase agriculture production and processed products for local markets utilizing emerging engineering programs. If successful, the higher education learning center in Puna can serve as a model for other rural areas in the State.

As affirmed by the records of votes of the members of your Committees on Higher Education and Agriculture that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 150 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Keith-Agaran, Tokuda).

Agriculture

Ayes, 5. Noes, none. Excused, 2 (English, Thielen).

**SCRep. 1206 (Joint) Technology and the Arts and Water and Land on S.R. No. 119**

The purpose and intent of this measure is to urge Continental Pacific, LLC (Continental Pacific), to place an immediate stay of eviction to allow residents of Kahuku Village to remain in their homes until an archaeological inventory survey can be completed for the entire project.

Your Committees received testimony in support of this measure from the Kahuku Plantation Residents Association and two individuals.

Your Committees find that the State Historic Preservation Division of the Department of Land and Natural Resources has indicated that no new permits will be granted to Continental Pacific until the developer has conducted an archaeological inventory survey for the Kahuku Village project. Your Committees further find that in the absence of a response from the Department of Land and Natural Resources, your Committees will rely on the testimony from the Kahuku Plantation Residents Association, which states that the State Historic Preservation Division has refused to enforce its own order for an archaeological inventory survey to be performed. This measure is important to ensure the protection of burial sites, since iwi were found during excavation.

Your Committees have amended this measure by changing the title to read, "URGING CONTINENTAL PACIFIC, LLC, AND THE STATE HISTORIC PRESERVATION DIVISION TO, AMONG OTHER THINGS, PLACE AN IMMEDIATE STAY OF EVICTION TO ALLOW RESIDENTS OF KAHUKU VILLAGE TO REMAIN IN THEIR HOMES UNTIL AN ARCHAEOLOGICAL INVENTORY SURVEY CAN BE COMPLETED FOR THE ENTIRE PROJECT AND ENSURE THAT THE KAHUKU VILLAGE PROJECT ADHERES TO ALL REQUIREMENTS, INCLUDING REQUIREMENTS FOR THE TREATMENT OF BURIAL REMAINS AND FOR CONDOMINIUM PROPERTY REGIMES".

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 119, as amended herein, and recommend that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.R. No. 119, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Water and Land

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Ihara, Shimabukuro).

**SCRep. 1207 (Joint) Technology and the Arts and Water and Land on S.C.R. No. 162**

The purpose and intent of this measure is to urge Continental Pacific, LLC (Continental Pacific), to place an immediate stay of eviction to allow residents of Kahuku Village to remain in their homes until an archaeological inventory survey can be completed for the entire project.

Your Committees received testimony in support of this measure from the Kahuku Plantation Residents Association and two individuals.

Your Committees find that the State Historic Preservation Division of the Department of Land and Natural Resources has indicated that no new permits will be granted to Continental Pacific until the developer has conducted an archaeological inventory survey for the Kahuku Village project. Your Committees further find that in the absence of a response from the Department of Land and Natural Resources, your Committees will rely on the testimony from the Kahuku Plantation Residents Association, which states that the State Historic Preservation Division has refused to enforce its own order for an archaeological inventory survey to be performed. This measure is important to ensure the protection of burial sites, since iwi were found during excavation.

Your Committees have amended this measure by changing the title to read, "URGING CONTINENTAL PACIFIC, LLC, AND THE STATE HISTORIC PRESERVATION DIVISION TO, AMONG OTHER THINGS, PLACE AN IMMEDIATE STAY OF EVICTION TO ALLOW RESIDENTS OF KAHUKU VILLAGE TO REMAIN IN THEIR HOMES UNTIL AN ARCHAEOLOGICAL INVENTORY SURVEY CAN BE COMPLETED FOR THE ENTIRE PROJECT AND ENSURE THAT THE KAHUKU VILLAGE PROJECT ADHERES TO ALL REQUIREMENTS, INCLUDING REQUIREMENTS FOR THE TREATMENT OF BURIAL REMAINS AND FOR CONDOMINIUM PROPERTY REGIMES".

As affirmed by the records of votes of the members of your Committees on Technology and the Arts and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 162, as amended herein, and recommend that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as S.C.R. No. 162, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Water and Land

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Ihara, Shimabukuro).

**SCRep. 1208 (Joint) Tourism and Hawaiian Affairs and Technology and the Arts on S.R. No. 10**

The purpose and intent of this measure is to urge the Department of Accounting and General Services and Hawaii Tourism Authority to choose a location for, build, and operate an informational kiosk for the public in the historic district of Honolulu.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Hawaii State Foundation on Culture and the Arts, Historic Hawaii Foundation, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority.

Your Committees find that the historical sites in downtown Honolulu offer significant cultural and educational experiences for visitors. These sites are underappreciated, however, due to transportation difficulties in downtown Honolulu and limited marketing. An informational kiosk would provide visitors with information and guidance on the numerous sites within the historic district of Honolulu to ensure that visitors have an enriching and positive experience. Your Committees note concerns, however, regarding the feasibility of the Department of Accounting and General Services and Hawaii Tourism Authority to operate an informational kiosk.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the language urging the Department of Accounting and General Services and Hawaii Tourism Authority to choose a location for, build, and operate an informational kiosk in the Historic District of Honolulu;
- (2) Urging the Department of Accounting and General Services alone to convene a working group to choose a location for, build, and operate an informational kiosk within the Historic District of Honolulu;
- (3) Replacing references to "historic district of Honolulu" and "heart of Honolulu's historic district" with "Hawaii Capital Historic District";
- (4) Amending the title accordingly;
- (5) Requesting that the working group include representatives from the Hawaii Tourism Authority, the City and County of Honolulu, and other interested private parties;
- (6) Requesting that the Department of Accounting and General Services submit a report to the Legislature within six months of the adoption of this measure that contains the working group's plan for building, operating, and funding an informational kiosk in the Hawaii Capital Historic District; 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 Tourism and Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 10, as amended herein, and recommend that it be referred to the Committee on Ways and Means, in the form attached hereto as S.R. No. 10, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Technology and the Arts

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

**SCRep. 1209 (Joint) Tourism and Hawaiian Affairs and Technology and the Arts on S.C.R. No. 29**

The purpose and intent of this measure is to urge the Department of Accounting and General Services and Hawaii Tourism Authority to choose a location for, build, and operate an informational kiosk for the public in the historic district of Honolulu.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services, Hawaii State Foundation on Culture and the Arts, Historic Hawaii Foundation, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority.

Your Committees find that the historical sites in downtown Honolulu offer significant cultural and educational experiences for visitors. These sites are underappreciated, however, due to transportation difficulties in downtown Honolulu and limited marketing. An informational kiosk would provide visitors with information and guidance on the numerous sites within the historic district of Honolulu to ensure that visitors have an enriching and positive experience. Your Committees note concerns, however, regarding the feasibility of the Department of Accounting and General Services and Hawaii Tourism Authority to operate an informational kiosk.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the language urging the Department of Accounting and General Services and Hawaii Tourism Authority to choose a location for, build, and operate an informational kiosk in the Historic District of Honolulu;
- (2) Urging the Department of Accounting and General Services alone to convene a working group to choose a location for, build, and operate an informational kiosk within the Historic District of Honolulu;
- (3) Replacing references to "historic district of Honolulu" and "heart of Honolulu's historic district" with "Hawaii Capital Historic District";
- (4) Amending the title accordingly;
- (5) Requesting that the working group include representatives from the Hawaii Tourism Authority, the City and County of Honolulu, and other interested private parties;
- (6) Requesting that the Department of Accounting and General Services submit a report to the Legislature within six months of the adoption of this measure that contains the working group's plan for building, operating, and funding an informational kiosk in the Hawaii Capital Historic District; 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 Tourism and Hawaiian Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 29, 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. 29, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Technology and the Arts

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

**SCRep. 1210 (Joint) Public Safety, Intergovernmental and Military Affairs and Human Services on S.C.R. No. 194**

The purpose and intent of this measure is to encourage the Department of Parks and Recreation of the City and County of Honolulu to seriously consider the establishment of an accessible public playground that allows visually impaired children to freely enjoy their environment and interact with their families and friends in a safe, welcoming, and developmentally enriching environment.

Your Committees received testimony in support of this measure from the Hawaii Association of the Blind and three individuals.

Your Committees find that Hawaii does not provide a playground that specifically caters to or facilitates safety and enjoyment for the blind community, even though 1.2 percent of Hawaii's population is currently eligible for Blind and Disabled Supplemental Security Income. This measure promotes inclusive playgrounds that provide opportunities for interaction between visually impaired children and sighted children, which is important for the development of social and leadership skills.

Your Committees have amended this measure by:

- (1) Encouraging the State of Hawaii, in addition to the City and County of Honolulu, to seriously consider the establishment of an accessible public playground for visually impaired children;
- (2) Amending the title accordingly to reflect that this measure is encouraging the State and the City and County of Honolulu to take action; 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, Intergovernmental 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. 194, 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. 194, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Human Services

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

**SCRep. 1211 (Joint) Public Safety, Intergovernmental and Military Affairs and Human Services on S.R. No. 148**

The purpose and intent of this measure is to encourage the Department of Parks and Recreation of the City and County of Honolulu to seriously consider the establishment of an accessible public playground that allows visually impaired children to freely enjoy their environment and interact with their families and friends in a safe, welcoming, and developmentally enriching environment.

Your Committees received testimony in support of this measure from the Hawaii Association of the Blind and three individuals.

Your Committees find that Hawaii does not provide a playground that specifically caters to or facilitates safety and enjoyment for the blind community, even though 1.2 percent of Hawaii's population is currently eligible for Blind and Disabled Supplemental Security Income. This measure promotes inclusive playgrounds that provide opportunities for interaction between visually impaired children and sighted children, which is important for the development of social and leadership skills.

Your Committees have amended this measure by:

- (1) Encouraging the State of Hawaii, in addition to the City and County of Honolulu, to seriously consider the establishment of an accessible public playground for visually impaired children;
- (2) Amending the title accordingly to reflect that this measure is encouraging the State and the City and County of Honolulu to take action; 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, Intergovernmental and Military Affairs and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 148, 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. 148, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 1212 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.C.R. No. 195**

The purpose and intent of this measure is to:

- (1) Recognize commercial space transportation as a strategic and timely growth industry for Hawaii;
- (2) Request the State administration to take proactive, coordinated, and sustained action to fully realize the significant scientific, educational, and commercial benefits space launch operations and related aerospace enterprise can bring to the State; and
- (3) Request the State to work collaboratively and proactively with federal and municipal agencies and organizations, as well as local and overseas universities and companies, to explore and promote opportunities to initiate, expand, and diversify commercial space launch capabilities and operations in Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Aerospace Advisory Committee; Pacific International Space Center for Exploration Systems; International Ventures Associates; and four individuals.

Your Committees find that Hawaii's strategic location and assets make the State an ideal site to support commercial space launches to equatorial and polar orbits. Your Committees further find that Hawaii has already taken important steps toward becoming a key leader in space and planetary research, as well as an incubator for innovation within the international space community. This measure supports the expansion of local transportation and communications infrastructure and the provision of new technology-based training and employment opportunities to help diversify Hawaii's economic base.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 195 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, English, Thielen).

**SCRep. 1213 (Joint) Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing on S.R. No. 149**

The purpose and intent of this measure is to:

- (1) Recognize commercial space transportation as a strategic and timely growth industry for Hawaii;
- (2) Request the State administration to take proactive, coordinated, and sustained action to fully realize the significant scientific, educational, and commercial benefits space launch operations and related aerospace enterprise can bring to the State; and



- (3) Request the State to work collaboratively and proactively with federal and municipal agencies and organizations, as well as local and overseas universities and companies, to explore and promote opportunities to initiate, expand, and diversify commercial space launch capabilities and operations in Hawaii.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Aerospace Advisory Committee; Pacific International Space Center for Exploration Systems; International Ventures Associates; and four individuals.

Your Committees find that Hawaii's strategic location and assets make the State an ideal site to support commercial space launches to equatorial and polar orbits. Your Committees further find that Hawaii has already taken important steps toward becoming a key leader in space and planetary research, as well as an incubator for innovation within the international space community. This measure supports the expansion of local transportation and communications infrastructure and the provision of new technology-based training and employment opportunities to help diversify Hawaii's economic base.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 149 and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, English, Thielen).

**SCRep. 1214 (Joint) Human Services and Tourism and Hawaiian Affairs and Water and Land on S.C.R. No. 137**

The purpose and intent of this measure is to request the Coordinator on Homelessness to assemble a working group to:

- (1) Identify innovative housing solutions for homeless Native Hawaiian families;
- (2) Investigate suitable and available federal, state, county, and private land for innovative housing projects; and
- (3) Prepare a plan to develop a demonstration housing project for homeless Native Hawaiian families that can serve as a model statewide.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Hawaii Interagency Council on Homelessness, Blueprint for Change, Hawaii Appleseed Center for Law and Economic Justice, Partners in Development Foundation, and two individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that homelessness is a complex and multi-faceted issue that requires planning, coordination, implementation, and funding across federal, state, county, business, local, and community lines. Native Hawaiians are disproportionately represented among Hawaii's homeless at twenty-eight percent of the homeless served. Homelessness is often a revolving door for many Native Hawaiian families because of underlying and unresolved socioeconomic problems such as unemployment, poor health, and substance abuse.

Your Committees further find that to break the cycle of homelessness and end the generational neglect of children within homeless Native Hawaiian families, it is necessary to develop innovative housing solutions that provide the families with stable housing and access to support and to strengthen services to resolve underlying problems.

Your Committees also note that the Office of Hawaiian Affairs is currently addressing homelessness among Native Hawaiians by:

- (1) Supporting Hawaiian Community Assets' work in creating a financial foundation for homeless families;
- (2) Creating \$900,000 in grant opportunities for housing;
- (3) Providing long-term stable financial support to the Department of Hawaiian Home Lands; and
- (4) Developing leveraged funding opportunities to increase reentry programs for pa'ahao.

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 Tourism and Hawaiian Affairs and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 137, 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. 137, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

Water and Land  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Slom).

**SCRep. 1215 (Joint) Human Services and Tourism and Hawaiian Affairs and Water and Land on S.R. No. 98**

The purpose and intent of this measure is to request the Coordinator on Homelessness to assemble a working group to:

- (1) Identify innovative housing solutions for homeless Native Hawaiian families;
- (2) Investigate suitable and available federal, state, county, and private land for innovative housing projects; and
- (3) Prepare a plan to develop a demonstration housing project for homeless Native Hawaiian families that can serve as a model statewide.

Your Committees received testimony in support of this measure from the Department of Hawaiian Home Lands, Hawaii Interagency Council on Homelessness, Blueprint for Change, Hawaii Appleseed Center for Law and Economic Justice, Partners in Development Foundation, and two individuals. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that homelessness is a complex and multi-faceted issue that requires planning, coordination, implementation, and funding across federal, state, county, business, local, and community lines. Native Hawaiians are disproportionately represented among Hawaii's homeless at twenty-eight percent of the homeless served. Homelessness is often a revolving door for many Native Hawaiian families because of underlying and unresolved socioeconomic problems such as unemployment, poor health, and substance abuse.

Your Committees further find that to break the cycle of homelessness and end the generational neglect of children within homeless Native Hawaiian families, it is necessary to develop innovative housing solutions that provide the families with stable housing and access to support and to strengthen services to resolve underlying problems.

Your Committees also note that the Office of Hawaiian Affairs is currently addressing homelessness among Native Hawaiians by:

- (1) Supporting Hawaiian Community Assets' work in creating a financial foundation for homeless families;
- (2) Creating \$900,000 in grant opportunities for housing;
- (3) Providing long-term stable financial support to the Department of Hawaiian Home Lands; and
- (4) Developing leveraged funding opportunities to increase reentry programs for pa'ahao.

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 Tourism and Hawaiian Affairs and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 98, 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. 98, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Hee, Slom).

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Slom).

**SCRep. 1216 Economic Development, Government Operations and Housing on S.R. No. 58**

The purpose and intent of this measure is to improve the efficiency, effectiveness, and fairness of the public procurement process for publicly funded infrastructure projects by:

- (1) Requesting the Comptroller to establish a task force composed of various interested parties to determine the impact of the Hawaii Supreme Court's opinion in *Okada Trucking Co., Ltd. v. Board of Water Supply*, 97 Hawaii 450, 40 P.3d 73 (2002) on bid protests and whether, and to what extent, bid protests filed subsequent to *Okada* have affected publicly funded infrastructure projects;
- (2) Requesting the task force to identify and analyze ways to improve the economy, efficiency, effectiveness, and impartiality of publicly funded infrastructure projects; and
- (3) Requesting the task force to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committee received testimony in support of this measure from the Department of Education; Department of Transportation; Office of Hawaiian Affairs; General Contractors Association of Hawaii; Hawaii Laborers Employers Cooperation and Education Trust; Hawaii Procurement Institute; Ralph S. Inouye Co., Ltd; S & M Sakamoto, Inc.; and Tomco Corp. Your Committee received testimony in opposition to this measure from the Electrical Contractor's Association of Hawaii; Hawaii Iron Worker's Stabilization Fund; and Plumbing & Mechanical Contractors Association of Hawaii. Your Committee received comments on this measure from the Department of Accounting and General Services and Subcontractors Association of Hawaii.

Your Committee finds that the State Procurement Code must be reviewed to address concerns that have arisen with respect to its implementation and to make any necessary improvements. This measure will reach out to the interested parties in an effort to find the right regulatory balance and maintain an efficient, effective, and impartial procurement process.

Your Committee has amended this measure by:

- (1) Amending legislative findings, including but not limited to findings related to the State Procurement Office's mission and the public procurement code;
- (2) Deleting references to *Okada* and the listing of subcontractors, and inserting references to bid preferences;
- (3) Amending the membership of the task force to be established by the Comptroller;
- (4) Deleting language requesting the task force to determine the impact of the *Okada* decision on bid protests and the impacts that the bid protests have had for public works construction projects since 2002;
- (5) Inserting language requesting the task force to study the impacts that the procurement process has had for public works construction projects as well as the existing bid preferences in relation to promoting economy, efficiency, effectiveness, and impartiality in procurement for state and county governments;
- (6) Deleting authorization for reimbursement of expenses of task force members; 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, Government Operations 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, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 1217 Economic Development, Government Operations and Housing on S.C.R. No. 92**

The purpose and intent of this measure is to improve the efficiency, effectiveness, and fairness of the public procurement process for publicly funded infrastructure projects by:

- (1) Requesting the Comptroller to establish a task force composed of various interested parties to determine the impact of the Hawaii Supreme Court's opinion in *Okada Trucking Co., Ltd. v. Board of Water Supply*, 97 Hawaii 450, 40 P.3d 73 (2002) on bid protests and whether, and to what extent, bid protests filed subsequent to *Okada* have affected publicly funded infrastructure projects;
- (2) Requesting the task force to identify and analyze ways to improve the economy, efficiency, effectiveness, and impartiality of publicly funded infrastructure projects; and
- (3) Requesting the task force to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2015.

Your Committee received testimony in support of this measure from the Department of Education; Department of Transportation; Office of Hawaiian Affairs; General Contractors Association of Hawaii; Hawaii Laborers Employers Cooperation and Education Trust; Hawaii Procurement Institute; Ralph S. Inouye Co., Ltd; S & M Sakamoto, Inc.; and Tomco Corp. Your Committee received testimony in opposition to this measure from the Electrical Contractor's Association of Hawaii; Hawaii Iron Worker's Stabilization Fund; and Plumbing & Mechanical Contractors Association of Hawaii. Your Committee received comments on this measure from the Department of Accounting and General Services and Subcontractors Association of Hawaii.

Your Committee finds that the State Procurement Code must be reviewed to address concerns that have arisen with respect to its implementation and to make any necessary improvements. This measure will reach out to the interested parties in an effort to find the right regulatory balance and maintain an efficient, effective, and impartial procurement process.

Your Committee has amended this measure by:

- (1) Amending legislative findings, including but not limited to findings related to the State Procurement Office's mission and the public procurement code;
- (2) Deleting references to *Okada* and the listing of subcontractors, and inserting references to bid preferences;
- (3) Amending the membership of the task force to be established by the Comptroller;
- (4) Deleting language requesting the task force to determine the impact of the *Okada* decision on bid protests and the impacts that the bid protests have had for public works construction projects since 2002;
- (5) Inserting language requesting the task force to study the impacts that the procurement process has had for public works construction projects as well as the existing bid preferences in relation to promoting economy, efficiency, effectiveness, and impartiality in procurement for state and county governments;
- (6) Deleting authorization for reimbursement of expenses of task force members; 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, Government Operations and Housing that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 92, 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. 92, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 1218 (Joint) Economic Development, Government Operations and Housing and Water and Land and Public Safety, Intergovernmental and Military Affairs on S.R. No. 117**

The purpose and intent of this measure is to facilitate the completion of state and City and County of Honolulu development projects by urging the Office of Planning to form a working group to determine if parcels owned by the State that are needed by the City and County of Honolulu to complete rail transit related projects can be exchanged for parcels owned by the City and County of Honolulu that are needed by the State to complete certain projects, including Twenty-First Century School Initiative projects.

Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources, Office of Planning, and Department of Planning and Permitting of the City and County of Honolulu.

Your Committees find that land exchanges between the State and the City and County of Honolulu could be mutually beneficial to both and could ultimately benefit the residents of the State by allowing the expeditious completion of projects desired by the public. This measure is an important step in exploring the feasibility of mutual land exchanges between the State and City and County of Honolulu and will help facilitate further dialogue between the two entities on this issue.

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 Economic Development, Government Operations and Housing, Water and Land, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 117, 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. 117, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Shimabukuro).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1219 (Joint) Economic Development, Government Operations and Housing and Water and Land and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 160**

The purpose and intent of this measure is to facilitate the completion of state and City and County of Honolulu development projects by urging the Office of Planning to form a working group to determine if parcels owned by the State that are needed by the City and County of Honolulu to complete rail transit related projects can be exchanged for parcels owned by the City and County of Honolulu that are needed by the State to complete certain projects, including Twenty-First Century School Initiative projects.

Your Committees received testimony in opposition to this measure from one individual. Your Committees received comments on this measure from the Department of Land and Natural Resources, Office of Planning, and Department of Planning and Permitting of the City and County of Honolulu.

Your Committees find that land exchanges between the State and the City and County of Honolulu could be mutually beneficial to both and could ultimately benefit the residents of the State by allowing the expeditious completion of projects desired by the public. This measure is an important step in exploring the feasibility of mutual land exchanges between the State and City and County of Honolulu and will help facilitate further dialogue between the two entities on this issue.

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 Economic Development, Government Operations and Housing, Water and Land, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 160, 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. 160, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

Water and Land  
Ayes, 4. Noes, none. Excused, 3 (Ihara, Ruderman, Shimabukuro).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1220 (Joint) Human Services and Commerce and Consumer Protection on S.C.R. No. 125**

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the American Association for Marriage and Family Therapy: Hawaii Division, to develop draft legislation establishing, implementing, and monitoring continuing education requirements for all licensed marriage and family therapists in Hawaii.

Your Committees received testimony in support of this measure from the American Association for Marriage and Family Therapy: Hawaii Division and five individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committees find that the profession of marriage and family therapy provides critically needed services in prevention, intervention, and treatment to a broad spectrum of clients. Continuing education is essential to help marriage and family therapists maintain their professional competency and keep abreast of the latest developments in their profession. Furthermore, Hawaii is one of only three states that do not require continuing education credits as part of their licensing law for marriage and family therapists. The joint effort of the Department of Commerce and Consumer Affairs and American Association for Marriage and Family Therapy: Hawaii Division is critical in increasing and maintaining the professional competence of licensed marriage and family therapists in Hawaii through a continuing education program.

Your Committees have amended this measure by inserting language referencing the Department of Commerce and Consumer Affairs' continuing professional education guidelines checklist as the framework for further discussion.

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. 125, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 125, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Solomon, Slom).

**SCRep. 1221 (Joint) Human Services and Commerce and Consumer Protection on S.R. No. 88**

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the American Association for Marriage and Family Therapy: Hawaii Division, to develop draft legislation establishing, implementing, and monitoring continuing education requirements for all licensed marriage and family therapists in Hawaii.

Your Committees received testimony in support of this measure from the American Association for Marriage and Family Therapy: Hawaii Division and five individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committees find that the profession of marriage and family therapy provides critically needed services in prevention, intervention, and treatment to a broad spectrum of clients. Continuing education is essential to help marriage and family therapists maintain their professional competency and keep abreast of the latest developments in their profession. Furthermore, Hawaii is one of only three states that do not require continuing education credits as part of their licensing law for marriage and family therapists. The joint effort of the Department of Commerce and Consumer Affairs and American Association for Marriage and Family Therapy: Hawaii Division is critical in increasing and maintaining the professional competence of licensed marriage and family therapists in Hawaii through a continuing education program.

Your Committees have amended this measure by inserting language referencing the Department of Commerce and Consumer Affairs' continuing professional education guidelines checklist as the framework for further discussion.

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.R. No. 88, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 88, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Nishihara, Solomon, Slom).

**SCRep. 1222 Judiciary and Labor on S.R. No. 66**

The purpose and intent of this measure is to urge the Governor, in making nominations and appointments to boards and commissions, to strive to achieve and maintain gender equity in the composition of state boards and commissions.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; Community Alliance on Prisons; Windward Ahupua'a Alliance; and two individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that there is a lack of gender equity on boards and commissions across the State. Gender equity can vastly benefit boards and commissions by providing a more balanced perspective and minimizing biases that may occur with memberships that lack gender equity.

As 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. 66 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1223      Judiciary and Labor on S.C.R. No. 100**

The purpose and intent of this measure is to urge the Governor, in making nominations and appointments to boards and commissions, to strive to achieve and maintain gender equity in the composition of state boards and commissions.

Your Committee received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO; Community Alliance on Prisons; Windward Ahupua'a Alliance; and two individuals. Testimony in opposition to this measure was submitted by one individual.

Your Committee finds that there is a lack of gender equity on boards and commissions across the State. Gender equity can vastly benefit boards and commissions by providing a more balanced perspective and minimizing biases that may occur with memberships that lack gender equity.

As 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. 100 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1224      (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.R. No. 5**

The purpose and intent of this measure is to encourage the United States Congress to enact federal legislation to modernize the Toxic Substances Control Act of 1976 and to strengthen chemicals management through policy reforms.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the American Chemistry Council.

Your Committees find that early-life exposure to toxic chemicals has been linked to chronic disease later in life. A growing body of peer-reviewed scientific evidence links exposure to toxic chemicals to many diseases and health conditions that are rising in incidence, including childhood cancers, prostate cancer, breast cancer, learning and developmental disabilities, infertility, and obesity. Your Committees further find that the federal Toxic Substances Control Act of 1976 was intended to authorize the United States Environmental Protection Agency to protect public health and the environment from toxic chemicals but has been rendered ineffective and obsolete due to legal and procedural hurdles that prevent the Environmental Protection Agency from taking quick and effective regulatory action to protect the public against well-known chemical threats.

Your Committees also find that the National Conference of State Legislatures unanimously adopted a resolution in July 2009 that articulated principles for reform of the Toxic Substances Control Act of 1976 and called on Congress to act to update the law. Your Committees also note that in August 2010 the Environmental Council of States, the national association of state environmental agency directors, unanimously adopted a resolution entitled "Reforming the Toxic Substances Control Act," which endorsed specific policy reforms. The Toxic Substances Control Act of 1976 is the only major federal environmental statute that has never been updated or reauthorized. As a result, your Committees encourage the United States Congress to enact federal legislation to modernize the Toxic Substances Control Act of 1976 and to strengthen chemicals management through policy reforms.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 5 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.  
Energy and Environment  
Ayes, 5. Noes, none. Excused, none.  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1225      (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 6**

The purpose and intent of this measure is to encourage the United States Congress to enact federal legislation to modernize the Toxic Substances Control Act of 1976 and to strengthen chemicals management through policy reforms.

Your Committees received testimony in support of this measure from one individual. Your Committees received testimony in opposition to this measure from the American Chemistry Council.

Your Committees find that early-life exposure to toxic chemicals has been linked to chronic disease later in life. A growing body of peer-reviewed scientific evidence links exposure to toxic chemicals to many diseases and health conditions that are rising in incidence, including childhood cancers, prostate cancer, breast cancer, learning and developmental disabilities, infertility, and obesity. Your Committees further find that the federal Toxic Substances Control Act of 1976 was intended to authorize the United States Environmental Protection Agency to protect public health and the environment from toxic chemicals but has been rendered ineffective and obsolete due to legal and procedural hurdles that prevent the Environmental Protection Agency from taking quick and effective regulatory action to protect the public against well-known chemical threats.

Your Committees also find that the National Conference of State Legislatures unanimously adopted a resolution in July 2009 that articulated principles for reform of the Toxic Substances Control Act of 1976 and called on Congress to act to update the law. Your Committees also note that in August 2010 the Environmental Council of States, the national association of state environmental agency directors, unanimously adopted a resolution entitled "Reforming the Toxic Substances Control Act," which endorsed specific policy reforms. The Toxic Substances Control Act of 1976 is the only major federal environmental statute that has never been updated or reauthorized. As a result, your Committees encourage the United States Congress to enact federal legislation to modernize the Toxic Substances Control Act of 1976 and to strengthen chemicals management through policy reforms.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 6 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Energy and Environment  
Ayes, 5. Noes, none. Excused, none.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1226 Commerce and Consumer Protection on S.C.R. No. 84**

The purpose and intent of this measure is to request the Contractors License Board to prepare a report that evaluates each automatic specialty license issued to "A" General Engineering Contractors and "B" General Building Contractors.

Your Committee received testimony in support of this measure from the Hawaii Building and Construction Trades Council, AFL-CIO; Subcontractors Association of Hawaii; Master Sheet Metal, Inc.; Plumbing and Mechanical Contractors Association of Hawaii; Roofing Contractors Association of Hawaii; Tile Contractors Association of Hawaii; International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 625; Painting and Decorating Contractors Association of Hawaii; Ironworkers Stabilization Fund; Pacific Insulation Contractors Association; Hawaii Flooring Association; Sheet Metal Contractors Association; Roofers Union Local 221; Plumbers and Fitters Union, Local 675; and Electrical Contractors Association of Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii Regional Council of Carpenters. Your Committee received comments on this measure from the Contractors License Board; Building Industry Association of Hawaii; General Contractors Association of Hawaii; Hawai'i Construction Alliance; Laborers' International Union of North America, Local 368; The Pacific Resource Partnership; Royal Contracting Co., Ltd.; Hawaii Laborers-Employers Cooperation and Education Trust; Masons Union, Local 1 and Local 630; Universal Construction, Inc.; and TJR WORKS! LLC.

Your Committee finds that this measure requires the Contractors License Board to prepare a report that evaluates each automatic "C" specialty license issued to "A" General Engineering Contractors and "B" General Building Contractors. However, your Committee further finds that the Contractors License Board has not recently reviewed the criteria, requirements, and procedures for the three licensing classifications under chapter 444, Hawaii Revised Statutes, including "A" General Engineering Contractor licenses, "B" General Building Contractor licenses, and "C" specialty licenses.

Your Committee therefore concludes that it is reasonable for the Contractors License Board to assess and evaluate all licensing classifications under chapter 444, Hawaii Revised Statutes, rather than focusing solely on the automatic "C" specialty licenses issued to "A" General Engineering Contractors and "B" General Building Contractors. Reviewing all licensing classifications and the corresponding criteria, requirements, and procedures for each classification will ensure that all licensees are fairly and impartially assessed. This will also enable the Contractors License Board to thoroughly approach any necessary amendments to relevant laws or administrative rules.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Contractors License Board to conduct an assessment and prepare a report that evaluates each licensing classification under chapter 444, Hawaii Revised Statutes, rather than requiring a report that focuses only on the automatic specialty licenses issued to "A" General Engineering Contractors and "B" General Building Contractors;
- (2) Clarifying the contents of the report to be prepared by the Contractors License Board;
- (3) Requesting the Contractors License Board to look beyond the membership of the Board and actively engage other interested industry stakeholders and union representatives when preparing the assessment and report;
- (4) Requesting the Contractors License Board to transmit a draft report to the Legislative Reference Bureau no later than November 1, 2013;
- (5) Requesting the Legislative Reference Bureau to submit a final report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (6) Amending the organizations receiving a certified copy of this measure;
- (7) Clarifying the findings to reflect the amended purpose of this measure; and
- (8) Amending the title for accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee 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, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1227 Commerce and Consumer Protection on S.R. No. 50**

The purpose and intent of this measure is to request the Contractors License Board to prepare a report that evaluates each automatic specialty license issued to "A" General Engineering Contractors and "B" General Building Contractors.

Your Committee received testimony in support of this measure from the Hawaii Building and Construction Trades Council, AFL-CIO; Subcontractors Association of Hawaii; Master Sheet Metal, Inc.; Plumbing and Mechanical Contractors Association of Hawaii; Roofing Contractors Association of Hawaii; Tile Contractors Association of Hawaii; International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers, Local 625; Painting and Decorating Contractors Association of Hawaii; Ironworkers Stabilization Fund; Pacific Insulation Contractors Association; Hawaii Flooring Association; Sheet Metal Contractors Association; Roofers Union Local 221; Plumbers and Fitters Union, Local 675; and Electrical Contractors Association of Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii Regional Council of Carpenters. Your Committee received comments on this measure from the Contractors License Board; Building Industry Association of Hawaii; General Contractors Association of Hawaii; Hawai'i Construction Alliance; Laborers' International Union of North America, Local 368; The Pacific Resource Partnership; Royal Contracting Co., Ltd.; Hawaii Laborers-Employers Cooperation and Education Trust; Masons Union, Local 1 and Local 630; Universal Construction, Inc.; and TJR WORKS! LLC.

Your Committee finds that this measure requires the Contractors License Board to prepare a report that evaluates each automatic "C" specialty license issued to "A" General Engineering Contractors and "B" General Building Contractors. However, your Committee further finds that the Contractors License Board has not recently reviewed the criteria, requirements, and procedures for the three licensing classifications under chapter 444, Hawaii Revised Statutes, including "A" General Engineering Contractor licenses, "B" General Building Contractor licenses, and "C" specialty licenses.

Your Committee therefore concludes that it is reasonable for the Contractors License Board to assess and evaluate all licensing classifications under chapter 444, Hawaii Revised Statutes, rather than focusing solely on the automatic "C" specialty licenses issued to "A" General Engineering Contractors and "B" General Building Contractors. Reviewing all licensing classifications and the corresponding criteria, requirements, and procedures for each classification will ensure that all licensees are fairly and impartially assessed. This will also enable the Contractors License Board to thoroughly approach any necessary amendments to relevant laws or administrative rules.

Accordingly, your Committee has amended this measure by:

- (1) Requiring the Contractors License Board to conduct an assessment and prepare a report that evaluates each licensing classification under chapter 444, Hawaii Revised Statutes, rather than requiring a report that focuses only on the automatic specialty licenses issued to "A" General Engineering Contractors and "B" General Building Contractors;
- (2) Clarifying the contents of the report to be prepared by the Contractors License Board;
- (3) Requesting the Contractors License Board to look beyond the membership of the Board and actively engage other interested industry stakeholders and union representatives when preparing the assessment and report;
- (4) Requesting the Contractors License Board to transmit a draft report to the Legislative Reference Bureau no later than November 1, 2013;
- (5) Requesting the Legislative Reference Bureau to submit a final report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (6) Amending the organizations receiving a certified copy of this measure;
- (7) Clarifying the findings to reflect the amended purpose of this measure; and
- (8) Amending the title for accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 50, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 50, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1228 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.C.R. No. 47**

The purpose and intent of this measure is to request the Council of the City and County of Honolulu to rename a portion of Coral Street to "Lex Brodie Street" in order to recognize a great Hawaii kama'aina, Lex Brodie.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that Lex Brodie was a revered kama'aina businessman whose years of rendering and overseeing high quality automotive services, along with his eleven years of service on the Board of Education, made him a symbol of trust among Hawaii residents. Your Committees further find that as the manager of the Dole Pineapple Company in the late 1950s, Mr. Brodie's stand on principle won him the respect and support of his workers. This measure recognizes Lex Brodie, who passed away on January 11, 2013, and his respected service to our 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 Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 47, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).



Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1229 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.R. No. 24**

The purpose and intent of this measure is to request the Council of the City and County of Honolulu to rename a portion of Coral Street to "Lex Brodie Street" in order to recognize a great Hawaii kama'aina, Lex Brodie.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that Lex Brodie was a revered kama'aina businessman whose years of rendering and overseeing high quality automotive services, along with his eleven years of service on the Board of Education, made him a symbol of trust among Hawaii residents. Your Committees further find that as the manager of the Dole Pineapple Company in the late 1950s, Mr. Brodie's stand on principle won him the respect and support of his workers. This measure recognizes Lex Brodie, who passed away on January 11, 2013, and his respected service to our 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 Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 24, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 24, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Green, Slom).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1230 (Joint) Health and Technology and the Arts on S.C.R. No. 91**

The purpose and intent of this measure is to designate one day in September 2013 as Hydrocephalus Awareness Day.

Your Committees received testimony in support of this measure from the Pediatric Hydrocephalus Foundation.

Your Committees find that Hydrocephalus occurs when excess fluid builds up in the brain, most often because of an obstruction preventing proper fluid drainage. It is estimated that one out of five hundred babies are born with this incurable condition. Your Committees also find that the State Co-Directors of the Hawaii Chapter for the Pediatric Hydrocephalus Foundation have led the effort in Hawaii to increase public awareness and information regarding Hydrocephalus in Hawaii. Your Committees wish to join representatives from the national, regional, state, and local Pediatric Hydrocephalus Foundations, along with leadership of various professional, community, and medical-based organizations, who are dedicated to increasing public awareness of Hydrocephalus and the need for support to more effectively address the effects of the disease and find cures or ways to prevent the disease.

Your Committees have amended this measure by:

- (1) Designating September 21, 2013, as Hydrocephalus Awareness Day in Hawaii and making conforming amendments; and
- (2) Amending the title accordingly.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts 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.

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

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 1231 (Joint) Health and Technology and the Arts on S.R. No. 57**

The purpose and intent of this measure is to designate one day in September 2013 as Hydrocephalus Awareness Day.

Your Committees received testimony in support of this measure from the Pediatric Hydrocephalus Foundation.

Your Committees find that Hydrocephalus occurs when excess fluid builds up in the brain, most often because of an obstruction preventing proper fluid drainage. It is estimated that one out of five hundred babies are born with this incurable condition. Your Committees also find that the State Co-Directors of the Hawaii Chapter for the Pediatric Hydrocephalus Foundation have led the effort in Hawaii to increase public awareness and information regarding Hydrocephalus in Hawaii. Your Committees wish to join representatives from the national, regional, state, and local Pediatric Hydrocephalus Foundations, along with leadership of various professional, community, and medical-based organizations, who are dedicated to increasing public awareness of Hydrocephalus and the need for support to more effectively address the effects of the disease and find cures or ways to prevent the disease.

Your Committees have amended this measure by:

- (1) Designating September 21, 2013, as Hydrocephalus Awareness Day in Hawaii and making conforming amendments; and

- (2) Amending the title accordingly.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 57, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 57, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Technology and the Arts

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

**SCRep. 1232 (Joint) Health and Technology and the Arts on S.C.R. No. 62**

The purpose and intent of this measure is to urge Hawaii's Congressional delegation to support continued funding for the Congressionally Directed Medical Research Program for Neurofibromatosis and encourage the renaming of the Congressionally Directed Medical Research Programs to the Daniel K. Inouye Congressionally Directed Medical Research Programs.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that neurofibromatosis is a genetically-inherited disorder in which the nerve tissue grows tumors that may be benign and may cause serious damage by compressing nerves and other tissues. Neurofibromatosis affects more than two million people worldwide and has no known cure. In 1992, under the leadership of Senator Daniel K. Inouye, Congress established the Department of Defense Congressionally Directed Medical Research Programs. Your Committees find that the Congressionally Directed Medical Research Program for Neurofibromatosis is the single largest funding source for neurofibromatosis research. In light of this fact, your Committees find it necessary to urge Hawaii's Congressional delegation to support continued funding for the Congressionally Directed Medical Research Program for Neurofibromatosis.

Your Committees have amended this measure by:

- (1) Removing language encouraging the renaming of the Congressionally Directed Medical Research Programs as the Daniel K. Inouye Congressionally Directed Medical Research Programs; and
- (2) Changing the title of this measure to remove the reference to Senator Daniel K. Inouye.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 62, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 62, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1233 (Joint) Health and Technology and the Arts on S.R. No. 32**

The purpose and intent of this measure is to urge Hawaii's Congressional delegation to support continued funding for the Congressionally Directed Medical Research Program for Neurofibromatosis and encourage the renaming of the Congressionally Directed Medical Research Programs to the Daniel K. Inouye Congressionally Directed Medical Research Programs.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that neurofibromatosis is a genetically-inherited disorder in which the nerve tissue grows tumors that may be benign and may cause serious damage by compressing nerves and other tissues. Neurofibromatosis affects more than two million people worldwide and has no known cure. In 1992, under the leadership of Senator Daniel K. Inouye, Congress established the Department of Defense Congressionally Directed Medical Research Programs. Your Committees find that the Congressionally Directed Medical Research Program for Neurofibromatosis is the single largest funding source for neurofibromatosis research. In light of this fact, your Committees find it necessary to urge Hawaii's Congressional delegation to support continued funding for the Congressionally Directed Medical Research Program for Neurofibromatosis.

Your Committees have amended this measure by:

- (1) Removing language encouraging the renaming of the Congressionally Directed Medical Research Programs as the Daniel K. Inouye Congressionally Directed Medical Research Programs; and
- (2) Changing the title of this measure to remove the reference to Senator Daniel K. Inouye.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 32, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 32, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Technology and the Arts

Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1234 Tourism and Hawaiian Affairs on Gov. Msg. No. 589**

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. 589 MAUNA KEA HIGUERA TRASK, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and testimony submitted by the nominee and finds Mr. Trask to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council for the Islands of Kaua'i and Ni'ihau.

Your Committee received testimony in support of Mauna Kea Higuera Trask from the Office of Hawaiian Affairs and three individuals.

Mr. Trask graduated from Oregon State University with a degree in Anthropology. He subsequently earned his law degree at the University of Hawaii William S. Richardson School of Law. Since graduating from law school, he has worked in a variety of legal areas including criminal defense, labor, tort defense, and appellate advocacy. He has served as a public defender for the City and County of Honolulu and as a prosecuting attorney for the County of Kauai. He currently works as a Deputy County Attorney in Kauai where he advises the County on Native Hawaiian related issues.

Mr. Trask is known by his colleagues as talented, hard-working, ethical, and fair. He is well versed in historical Native Hawaiian texts and traditions and possesses a vast knowledge base on ancestral Native Hawaiian remains.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 1235 Commerce and Consumer Protection on H.B. No. 79**

The purpose and intent of this measure is to change the degree requirement for Advanced Practice Registered Nurse recognition from a Master's degree in nursing to a graduate degree in nursing.

Your Committee received testimony in support of this measure from the Board of Nursing; Hawai'i State Center for Nursing; University of Hawai'i at Manoa School of Nursing and Dental Hygiene; University of Hawai'i at Hilo School of Nursing; Healthcare Association of Hawaii; Hawai'i Pacific Health; American Organization of Nurse Executives, Hawai'i Chapter; Hawai'i Association of Professional Nurses; and three individuals.

Your Committee finds that under existing state law, Advanced Practice Registered Nurses may only be recognized if they receive a Master's degree in certain nursing fields. This precludes recognition of nurses who earn a Doctor of Nursing Practice degree and other nationally recognized clinical doctorates in nursing, which directly impacts Doctor of Nursing Practice graduates of the University of Hawaii at Manoa School of Nursing and the University of Hawaii at Hilo School of Nursing. The Master's degree requirement also impedes other states' Advanced Practice Registered Nurses with clinical doctorates from practicing in the State.

Your Committee further finds that every state except Hawaii accepts a graduate degree instead of a Master's degree for Advanced Practice Registered Nurse licensure and certification. This measure will bring Hawaii into alignment with the rest of the country and with the National Council of State Boards of Nursing's consensus model for Advanced Practice Registered Nurses.

As affirmed by the record of votes of the members of 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. 79, 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, Wakai, Slom).

**SCRep. 1236 Commerce and Consumer Protection on H.B. No. 651**

The purpose and intent of this measure is to amend the Uniform Controlled Substances Act in chapter 329, Hawaii Revised Statutes, by adding definitions consistent with federal law, clarifying the conditions for electronic transmittal of prescriptions, and clarifying violations of prohibited acts.

Your Committee received testimony in support of this measure from the Hawaii Medical Association, Kaiser Permanente Hawaii, Times Supermarket, CVS Caremark, Walgreen Co., and one individual.

Your Committee finds that this measure aligns Hawaii's Uniform Controlled Substances Act with federal regulations by allowing prescribers who are registered and authorized to prescribe controlled substances to electronically prescribe and electronically convey prescriptions for controlled substances listed in schedules II, III, IV, and V to a pharmacy of the patient's choice. The electronic conveyance of prescriptions from prescribers to pharmacists provides a safer, more secure, and timely means to prescribe controlled substances in addition to the traditional method of providing the patient with a handwritten prescription.

Your Committee further finds that this measure eliminates or greatly reduces forgeries, lost prescription documents, and illegible handwriting, which contribute to medication errors, wasted time, and increased frustration for patients who need these medicines.

As affirmed by the record of votes of the members of 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. 651, 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, Wakai, Slom).

**SCRep. 1237 Commerce and Consumer Protection on H.B. No. 178**

The purpose and intent of this measure is to require licensed social workers to complete a minimum of fifteen credit hours of continuing education courses for the licensing renewal period beginning July 1, 2013, through June 30, 2016, and forty-five credit hours of continuing education courses during each licensing renewal period beginning July 1, 2016, and thereafter.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; National Association of Social Workers, Hawai'i Chapter; Hawai'i Psychological Association; Action with Aloha, LLC; Hawai'i Women's Coalition; and three individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that social workers provide critical services in prevention, intervention, and treatment to an array of clients. Your Committee further finds that Hawaii is one of only three jurisdictions in the country that do not require continuing education credits for social workers.

Your Committee additionally finds that in any profession, continuing education increases the knowledge base and the competency level of professionals. The continuing education requirements proposed by this measure therefore ensure that licensed social workers in Hawaii maintain their professional competency, keep abreast of the latest developments in their profession, and continue providing quality services for clients.

As affirmed by the record of votes of the members of 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. 178, 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, 3 (Galuteria, Wakai, Slom).

**SCRep. 1238 Commerce and Consumer Protection on H.B. No. 369**

The purpose and intent of this measure is to establish the Residential Kitchen Fire Task Force to investigate and develop plans to address the risk of residential kitchen fires.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs, State Fire Council, Kauai Fire Department, County of Maui Department of Fire and Public Safety, Hawai'i Fire Department, and Hawaii Fire Chiefs Association.

Your Committee finds that according to the National Fire Protection Association, cooking equipment-related fires are the leading cause of fire loss. This measure establishes the Residential Kitchen Fire Task Force to evaluate issues and concerns relating to residential kitchen fire safety, including reviewing data, insurance rating plans and methodology, financial incentives for voluntary pre-mitigation systems, and regulations regarding residential kitchen fires. Evaluating these fire protection measures will help protect Hawaii residents from kitchen fires, which can devastate property and cause injury or death.

Your Committee has amended this measure by inserting an effective date of July 1, 2013.

As affirmed by the record of votes of the members of 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. 369, 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. 369, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1239 Water and Land on H.C.R. No. 46**

The purpose and intent of this measure is to authorize the issuance of a term, non-exclusive easement covering a portion of state submerged lands at Lanikai, Koolaupoko, Oahu, for seawall and revetment purposes.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

The subject property is identified as covering a portion of state submerged lands identified as tax map key (1) 4-3-005: seaward of 56, at Lanikai, Oahu, Hawaii. The 18,376 square foot property was developed with a single-family dwelling built in 1939 and a shoreline protection structure around 1953 prior to the establishment of the state land use laws. On September 13, 1968, the previous owners of the subject property and three adjoining properties obtained Shore Water Construction Permit No. 1395 issued by the Harbors Division of the Department of Transportation to construct a six- to eight-foot wide "protective stone blanket for erosion control" seaward of the existing five-foot high retaining walls.

On January 13, 2012, under agenda item D-17, the Board of Land and Natural Resources approved the request for a non-exclusive easement by the owners, James Hugh Duncan and Barbara-Jeann Duncan. On October 16, 2012, the Land Division of the Department of Land and Natural Resources confirmed acceptance by the owners of the consideration payable for the subject easement as determined by an independent appraisal dated August 27, 2012.

Your Committee has amended this measure by:

- (1) Amending the title to reflect the correct spelling of Koolaupoko;
- (2) Reflecting the proper cross-reference for the agenda item; 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 and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46, as amended herein, and recommends that it be referred to the Committee on Ways and Means, in the form attached hereto as H.C.R. No. 46, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1240 Water and Land on H.C.R. No. 37**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a perpetual, nonexclusive easement covering a portion of state submerged lands located in Kapahulu, Honolulu, Oahu, for use, maintenance, and repair of the existing seawall and steps, and for use, maintenance, and repair of the existing improvements constructed thereon.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Outrigger Hotels.

The subject property fronts property identified as tax map key (1) 3-1-038: seaward of 042, Kapahulu, Honolulu, Oahu. In 1959, various owners of the properties abutting Old Diamond Head Road claimed ownership of the road and received rulings in their favor from the Land Court. Upon appeal, the Hawaii Supreme Court ruled that the State owns a portion of the road that includes a seawall and steps. A survey determined that portions of the seawall and steps are on one hundred twenty-five square feet of submerged lands. On July 13, 2012, under agenda item D-10, the Board of Land and Natural Resources approved the issuance of a perpetual, nonexclusive easement.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, 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, 1 (Dela Cruz).

**SCRep. 1241 Ways and Means on H.B. No. 200**

The purpose and intent of this measure is to appropriate funds for the operating and capital improvements budget of the executive branch for fiscal year 2013-2014 and fiscal year 2014-2015.

Your Committee received testimony in support of this measure from the Hawaii Housing and Finance Development Corporation, Department of Business, Economic Development, and Tourism (DBEDT); C.S. Wo & Sons Ltd; Kukaiau Ranch; Palani Ranch Company; Panoholo Ranch Ltd.; Goodwill Industries of Hawaii Inc.; Castle Foundation; Healthcare Association of Hawaii; and eight individuals.

Your Committee received testimony in opposition to this measure from the Hawaii State Public Library System; and one individual.

Your Committee received comments on this measure from United States Senator Mazie Hirono; Office of the Governor; Office of the Lieutenant Governor; Security and Emergency Management, Judiciary; Department of the Attorney General; Department of Budget and Finance; Department of Taxation; Department of Accounting and General Services (DAGS); Department of Agriculture; Department of Education; University of Hawaii System; Department of Commerce and Consumer Affairs (DCCA); Department of Labor and Industrial Relations (DLIR); Department of Public Safety; Department of Human Resources Development; Department of Transportation; Hawaiian Homes Commission; Department of Health; Department of Defense; Department of Human Services (DHS); Department of Land and Natural Resources; Office of Planning, DBEDT; Contractors License Board, DCCA; Regulated Industries Complaints Office, DCCA; Office of Language Access, DLIR; Hawaii Health Systems Corporation; Office of Information Practices; Office of Community Services, DLIR; Executive Office on Early Learning; Executive Office on Aging; Hawaii Civil Rights Commission; William S. Richardson School of Law; Hawaii Public Housing Authority, DHS; Public Utilities Commission; Hawaii Tourism Authority; Office of Information Management and Technology, DAGS; State Council on Developmental Disabilities; State of Hawaii Early Learning Advisory Board; Hilo Medical Center; the Mayor of the County of Hawaii; Department of the Prosecuting Attorney, City and County of Honolulu; Department of the Prosecuting Attorney, County of Maui; Prosecuting Attorney, County of Hawaii; 4 Ag Hawaii; Hawaii Family Caregiver Coalition; KCAA Preschools of Hawaii; Hyperspective Studios Inc.; Hawaii Laborers' Union; Hawaii Alliance for Community-Based Economic Development; Pacific Gateway Center; Building Industry Association Hawaii; Catholic Charities Hawaii; Kamehameha Schools' Charter School Support Department; and two hundred forty-nine individuals.

**I. INTRODUCTION**

As submitted to the Legislature prior to the start of the 2013 Regular Session, the proposed general fund portion of the executive budget exceeded the revenue forecast of the Council on Revenues on an annual basis. The state general fund financial plan relied upon a carryover balance and revenue measures that the Legislature was not certain to adopt. As would be expected of any household or business, your Committee carefully scrutinized expenses in an effort to avoid a budget that could not be supported by realistic operating revenues.

Your Committee was conservative in its approach to fiscal matters and has successfully controlled growth in the budget. About \$136,000,000 was reduced from the Governor's general fund budget request over the upcoming fiscal biennium. As the economy begins to recover, your Committee's priority is to build a solid financial base upon which the State and its citizens may prosper.

In developing a measured budget for the executive branch of government for fiscal biennium 2013-2015, your Committee continued its adherence to the following principles:

- 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.

Although your Committee has substantially reduced the Governor's budget request, it still provided needed resources for education, important safety net programs, environmental protection, and modernization of the State's information technology infrastructure.

Also of significance is your Committee's efforts to allow for serious consideration of measures not encompassed by the executive budget. This includes considering targeted tax relief and incentives to help those in need and to spur economic growth. It is your Committee's intent to address these issues without raising any broad-based tax.

## II. ECONOMIC OUTLOOK

While lingering concerns remain, economic data have generally been positive. Unemployment continues to decline, the housing market continues to improve, and financial markets have rallied to all-time highs. However, the effects of the federal budget sequestration, the congressional budget paralysis, and a potential European fiscal crisis are largely unknown. Sequestration is of particular concern, given its likely far-reaching impact and uncertainty on how programs, as well as the local economy, will ultimately be impacted.

The Congressional Budget Office (CBO), which produces ten-year economic forecasts for the congressional budget committees, expects economic growth to remain slow this year as gradual improvements to the economy will be offset by scheduled budgetary changes. CBO projects that the nation's real gross domestic product will grow by just 1.4 per cent this year, as measured by the change from the fourth quarter of 2012, and by 3.4 per cent next year due to improving economic factors. CBO also forecasts that the national unemployment rate will remain near 7.5 per cent through 2014 and will eventually fall to 5.5 per cent by the end of 2017.

The Federal Reserve, which is tasked with setting the United States' monetary policy, stated that they will continue to stimulate the economy and keep interest rates at exceptionally low levels until the unemployment rate falls to 6.5 per cent. Continued stimulation by the Federal Reserve, coupled with sluggish short-term growth forecasts, indicates that significant risks still exist and will continue to exist for the next couple of years.

Hawaii's economy is also experiencing positive growth, largely driven by a continued surge in the visitor industry. The Hawaii visitor industry experienced a 9.6 per cent growth in arrivals and an 18.5 per cent increase in visitor spending in 2012 compared to 2011, according to the Department of Business, Economic Development, and Tourism (DBEDT). DBEDT projects Hawaii's economy will grow by 2.6 per cent in 2013 and 2.5 per cent in 2014.

## III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (COR) reports its latest tax revenue forecast to the Governor and 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.

At the September 6, 2012, meeting, COR lowered their forecast for fiscal year 2012-2013 tax revenue growth from 5.3 per cent to 4.9 per cent, citing the reassessment of the cost of renewable energy tax credits as the basis for the decrease. COR subsequently raised their forecast at the January 3, 2013, meeting, from 4.9 per cent to 5.1 per cent, mainly citing a strong visitor industry and expansion in the overall economy.

At the most recent meeting on March 13, 2013, COR raised their fiscal year 2012-2013 forecast from 5.1 per cent to 6.7 per cent, in addition to raising their forecasts for fiscal years 2013-2014 and 2014-2015. COR based the revisions on the strong visitor industry and growth of the economy. The latest change in COR projections adds approximately \$343,000,000 in general fund revenues to the 2012-2013 fiscal year and the 2013-2015 fiscal biennium.

Your Committee notes, however, that COR also warned of potential adverse effects from sequestration relating to the federal Budget Control Act of 2011. Moreover, your Committee prefers to take a conservative approach in its assumption of future revenue growth and the funding of new programs that will require annual resources.

## IV. REDUCING UNFUNDED LIABILITIES

Over the past several years, the State has made significant progress on addressing the unfunded liability of the Employees' Retirement System (ERS). Measures taken to address this issue include reducing benefits for new employees, increasing the contributions made by new employees, establishing disincentives for spiking of benefits, and providing additional funding for the ERS. The State is now on a course that will allow it to fully resolve this liability.

Your Committee is also committed to addressing the other major unfunded liability of the State. An appropriation of funds to prefund Other Post Employment Benefits (OPEB) and passage of the Senate's version of Senate Bill No. 946, that sets a solid framework for future payments, will demonstrate the State's commitment to fully address the unfunded liability of the Employer-Union Health Benefits Trust Fund (EUTF).

Your Committee firmly believes that paying down the State's unfunded liabilities must be a priority, and no longer left to discretion. The Senate version of Senate Bill No. 946, requires that all state and county employers pay one hundred per cent of the annual required contribution for OPEB within six years. Passage of such a measure would put the State at the leading edge of efforts dealing with this issue.

#### V. BUDGET OVERVIEW

As adjusted for governor's message items, the Governor's general fund budget request adds \$535,000,000 for fiscal year 2013-2014 and \$696,000,000 for fiscal year 2014-2015. While these are significant sums, large portions are non-discretionary in nature.

The budget request includes \$78,000,000 each year to restore previously reduced labor costs. This amount represents the five per cent reduction in compensation that state workers have endured but does not include funding of potential additional collective bargaining costs.

This cost and others, such as debt service, health premiums, retirement benefits, Medicaid, federal budget sequestration mitigation, and the State's first payments for its share of the EUTF's unfunded liability, amount to \$384,000,000 for fiscal year 2013-2014 and \$524,000,000 for fiscal year 2014-2015, or nearly three quarters of the Governor's general fund budget request.

The Senate version of the executive budget supports the payment of these costs.

The Governor also requested funds for several significant initiatives. Over the fiscal biennium, these initiatives include over \$60,000,000 for the Office of Information Management Technology, \$32,000,000 for an early learning program, and \$29,000,000 for a 1:1 digital device per student strategy. Myriad other requests were also made to restore or strengthen government services.

The House of Representatives' draft of the executive budget either did not fund or substantially reduced many of the Governor's significant initiatives. In addition, the House version of the executive budget deleted the authorization and funding for approximately one thousand positions believed to be vacant.

Unlike the House of Representatives, your Committee was able to consider COR's most recent revenue projection increase. Consequently, your Committee had more flexibility to fund a number of the Governor's initiatives that are core state functions, support programs for those in need, encourage economic growth, and lower future costs.

Your Committee did not make extensive reductions of vacant positions. Current information indicates that many of the positions were or will soon be filled. Also, funds budgeted for these positions are often used by state agencies for emergency hires and other expenses necessary to provide services.

While your Committee is aware of the practice of holding positions vacant to utilize the funds for other purposes, it does not condone such practices. Shifting of budgeted funds and development of budget details that do not accurately depict expected costs have and continue to frustrate the efforts of the Legislature. Your Committee intends to work with the House of Representative's Committee on Finance to address this issue.

#### VI. DEPARTMENT HIGHLIGHTS

##### Human Services

Your Committee has taken the sensible approach of restoring and allocating funds for programs and operations that provide needed services and generate the most social benefit among Hawaii residents. The Department of Human Services has reported that, despite growth trends in Hawaii's economy overall, many of the State's assistance programs continue to experience increased enrollment, and the demand for services has left many of the Department's divisions operating beyond capacity. The Department's Benefit, Employment, and Support Services Division programs reported a 2.8 per cent enrollment increase in Temporary Assistance for Needy Families (TANF) and Temporary Assistance for Other Needy Families (TAONF) and a 4.8 per cent enrollment increase in general assistance beneficiaries. In fiscal year 2011-2012, the Med-QUEST Division reported enrollment increases of five per cent. Your Committee understands that many of the services and resources provided by the Department constitute a critical safety net for Hawaii's most vulnerable population and is mindful of its duty to provide adequate resources for human services programs.

Homelessness in Hawaii has been a major concern in recent years. The Department's Homeless Services program has implemented a Housing First initiative to address chronic homelessness through rapid transition to housing and has sought to enhance available shelters by means of asset management and contract review. In support of the Administration's efforts and for the continued piloting of the Housing First program, your Committee has provided positions and \$2,393,952 in fiscal year 2013-2014 and \$1,128,045 in fiscal year 2014-2015 in general funds to address homelessness throughout the State.

Your Committee is committed to investing in Hawaii's youth and is mindful of the need to provide avenues of care for all children. Without proper programmatic support, outreach, and infrastructure, a child in need is more likely to experience hunger and homelessness and is statistically more likely to engage in criminal behavior. To address these concerns, your Committee has provided \$983,043 in fiscal year 2013-2014 and \$1,088,790 in fiscal year 2014-2015 to support the Voluntary Foster Care to Twenty-One project. Your Committee hopes that this program will successfully help foster children aged eighteen to twenty-one to gradually transition out of foster care and become financially stable and productive members of the community. Further, your Committee has also provided \$800,000 in general funds to expand the Youth Community Service Centers throughout the State and hopes that these facilities will continue to provide alternatives to incarceration and reduce recidivism among juvenile offenders.

Your Committee appreciates the significant impact early education can have on a child's future. Following the sunset of the Junior Kindergarten program, your Committee has examined other avenues for early learning. To this end, your Committee has provided \$4,000,000 in general funds to increase child care subsidy payments for Preschool Open Doors (POD). This program is dedicated to four year olds, the year prior to kindergarten, and affords income eligible families licensed preschool options by offering subsidies up to one hundred per cent of the cost. Your Committee provides these funds with the intent to increase POD enrollment ceilings and allow for more families to participate in education-oriented child care programs that complement the State's early education program. Your Committee intends that POD complement the early learning program also funded and described later.

Rising national health care costs lead to higher Medicaid costs to the State and inevitably reduce funding available for other priorities in Hawaii's overall fiscal plan. More than thirteen per cent of the executive branch's general fund expenditures is devoted to capitation payments, and with the expansion of coverage through the Affordable Care Act (ACA), that percentage may rise. However, your Committee understands that the high cost of health care is a national issue. Without a national solution to implement industry controls, the State must either fund the cost of care or sacrifice services. Therefore, your Committee finds that managed care payments for QUEST and QUEST Expanded Access in the state Medicaid program should be funded and appreciates the Department's efforts to thoroughly vet enrollment and capitation rate projections. In accordance with the Department's request, your Committee has provided \$43,153,802 in fiscal year 2013-2014 and \$85,828,768 in fiscal year 2014-2015 in general funds for Medicaid health care payments.

Your Committee is also aware of the need to address the increases in enrollment levels and additional coverage requirements that come under ACA. The Department has identified a number of cost drivers and projects enrollment increases of roughly 46,000 individuals as a direct result of ACA. Further, under ACA, states will be required to reimburse primary care physicians for one hundred per cent of Medicaid costs, in contrast to the sixty per cent paid by Hawaii prior to ACA. While the federal government has agreed to fund the entire forty per cent increase through fiscal year 2013-2014, thereafter the State must pay its fifty per cent share of the one hundred per cent Medicaid reimbursement to primary care physicians. In recognition of these imminent health care changes and associated costs, your Committee has provided \$20,195,448 in fiscal year 2013-2014 and \$49,203,267 in fiscal year 2014-2015 for the general fund portion of ACA related health care costs.

Your Committee acknowledges the Department's good faith efforts to restore reimbursements in acute care facilities and proactively implement seriously mentally ill client services, which would be mandated under ACA, in order to phase in additional coverage costs in the Med-QUEST Division. To this end, your Committee has provided for expenditures from the hospitals and nursing facilities sustainability special funds to supplement general and federal funds for these purposes.

Your Committee supports the Department's goals to provide timely service delivery and improve access to resources. Accordingly, your Committee has provided positions and funding throughout the Department to manage processing backlogs, restore critical personnel, and expedite the transformation and integration of information technology solutions, including \$1,500,000 in general funds and \$7,500,000 in federal funds for the Med-QUEST integrated eligibility system.

#### Health

Your Committee acknowledges the Department of Health's role in providing health care and services to protect the well-being of people in Hawaii.

Your Committee recognizes the significance of caring for our kupuna population and is mindful of the positive impact that Kupuna Care has had in serving the elderly so that they can continue to age in place. With additional support provided by the Legislature last year, Kupuna Care was able to target its most vulnerable population and provide an increased level of services. As such, your Committee has provided \$4,200,000 in general fund support to continue this effort. In addition, your Committee is aware of the need for a single, coordinated system of information and access for our elderly and disabled population. Your Committee recognizes the improvements that the Executive Office on Aging has made to our existing aging and disability resource centers in becoming fully-functional under federal standards. For example, the aging and disability center on Maui has recently become fully-functional by federal standards, with the other counties scheduled to follow shortly. Your Committee understands that the completion of this effort is dependent upon continued funding and therefore provides \$1,400,000 in general funds to support this initiative.

The Developmental Disabilities Division oversees the waiver program, which provides home and community based services to individuals with a developmental disability. Your Committee is aware of the waiver program's difficulty in meeting the state matching fund requirement for federal Medicaid funds, especially in adhering to prior lawsuit settlements, which require a reasonable pace of new admissions into the waiver program. In addition, your Committee is cognizant of the federal government's concern over this program's state funding shortage and the risk of losing Medicaid funds if the program is not supported with additional state moneys. As such, your Committee has provided \$2,683,384 in general funds for the waiver program. Further, your Committee has provided \$994,504 in general funds to the Division in order to better reflect the program's portion of costs for shared contracts with the Department of Human Services. Moreover, the Developmental Disabilities Division does not currently have an electronic health records system that meets privacy safeguard standards and reporting requirements as mandated by the Affordable Care Act. Your Committee understands that compliance with these requirements must be met by 2016 to avoid reduced federal reimbursements. Therefore, your Committee has provided \$1,580,000 in general funds in fiscal year 2013-2014 for the development and implementation of an electronic health records system that will meet federal requirements.

Your Committee understands how crucial it is to provide children with a safe, encouraging environment in which to develop, as well as to identify those children with developmental delays so that appropriate services can be provided. The Department's Early Intervention Program conducts comprehensive multi-disciplinary developmental evaluations for children and provides necessary services through community providers. Since this program was reduced during the economic downturn, it has faced a recurring deficit in serving Hawaii's special needs keiki. As such, your Committee has provided \$1,271,698 in general funds to this program to assist children with special health needs. The Home Visitation Program, formerly known as Healthy Start, provides parenting and childhood health services to ensure a positive environment for childhood growth and development. Your Committee supports the continued use of tobacco settlement special funds for this program and, therefore, has provided \$3,000,000 of those funds.

Your Committee supports efforts to improve health care coordination and increase access for all of Hawaii's residents. The Hawaii Health Information Exchange is a non-profit organization designated by the State to build the statewide health information exchange. Your Committee is cognizant that their five-year funding contract will be coming to an end, despite the vast amount of work ahead in improving Hawaii's health care information system. As such, your Committee has provided \$1,000,000 in general funds for fiscal year 2013-2014 to support the organization's efforts and in allowing them to continue their improvements for state health information technology. Your Committee has also provided positions and \$115,000 in general funds, \$61,250 in federal funds in fiscal year 2013-2014, and \$165,830 in general funds in fiscal year 2014-2015 for the Healthcare Transformation Initiative in the Office of the



Governor. This initiative will help the State implement components of the ACA, as well as identify strategies to improve the delivery of healthcare in the State.

Your Committee is aware of the increase in the portion of the cigarette tax from .0075 cents per cigarette to .0125 cents that will revert to the Department effective July 1, 2013, to perform mandated services. In view of this increase in funds, your Committee has provided \$5,300,000 for the state comprehensive trauma system, \$3,750,000 for community health centers, and \$1,300,000 for emergency ambulance services in special funds.

#### Hawaii Health Systems Corporation

Your Committee 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.

Hale Makemae is a program housed in Kula Hospital on Maui. It is Hawaii's only twenty-four-hour long-term care facility for severely developmentally disabled people. Due to declining federal Medicaid reimbursements, Hale Makemae has experienced operational deficiencies. In order to address this program's increasing demand, as well as their financial shortfall, your Committee has provided \$400,000 in general funds. In addition, in consideration of providing funds to maintain operations at HHSC hospitals, your Committee has provided \$1,000,000 in special funds for the operational deficit in Alii Community Care and Roselani Place.

#### 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.

Your Committee understands that the University system is experiencing unprecedented increases in enrollment; however, your Committee is concerned about the University's decision to continuously increase tuition without a clear nexus between the increases in tuition and the quality of education for students. Furthermore, your Committee remains unsettled by the University's salary determination process for its top executive and managerial staff, as well as its lack of financial transparency and accountability. Your Committee believes in the potential of the University to be an internationally recognized place of learning and sincerely hopes that bettering the educational experience for its students is the primary driver for the University's decision making.

The University of Hawaii West Oahu (UHWO) opened its new Kapolei campus in Fall 2012. Your Committee supports UHWO's goal of raising the educational and economic attainment levels in the West Oahu region. Your Committee recognizes that with the initial opening, UHWO focused on providing academic and curriculum options for incoming students. Now that the campus is operational, your Committee recognizes the need to provide support for the campus facilities in the form of maintenance, security, and special needs specialist staff and, therefore, has provided \$3,000,000 in general funds.

Your Committee recognizes the University of Hawaii Community Colleges play an indispensable role in providing post-secondary educational opportunities for those wanting to pursue higher education or specific technical skills. As such, your Committee realizes the importance of keeping community college tuitions low to provide more prospective post-secondary students with an alternative path to higher education. Your Committee also understands that unlike four-year institutions that have a larger student population, the community colleges lack the enrollment concentrations that would enable them to generate sufficient tuition revenues to meet their operational needs and, consequently, may not be as well-equipped in comparison. Therefore, your Committee has provided \$4,000,000 in general funds for the operating expenses of community colleges statewide.

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 \$2,086,371 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 \$236,203 for the Ulu' ulu: Henry Ku'ualoha Giugni Moving Image Archive of Hawaii, which preserves film and videotape related to Hawaiian history and culture.

Your Committee acknowledges the significance of Science, Technology, Engineering and Math (STEM) initiatives at the University of Hawaii. Further, your Committee supports the University's role of advancing STEM education through outreach to pre-college students. Therefore, your Committee has provided \$1,500,000 in general funds for STEM initiatives, which include supporting the Fostering Inspiration and Relevance through Science and Technology Pre-Academy. This program provides Hawaii's middle-school students in both regular education and charter schools statewide with hands-on, interactive learning opportunities across STEM subjects, which allow them to develop critical thinking skills to address real-world problems.

Your Committee is aware of the negative effect of higher tuition on university students. Your Committee believes that employing students at the university enables them to financially support their studies, while gaining valuable work experience to enhance their career prospects. Thus, your Committee has provided \$500,000 in general funds for student employees at new or expanded worksites at each University of Hawaii campus.

#### Education

Your Committee remains concerned with the Department of Education's management of state funds and resources in relation to its ability to meet the new assessments under the Common Core State Standards (CCSS), which were adopted by the Board of Education in June 2010. The new CCSS assessments are scheduled for implementation in the 2014-2015 school year.

Under Act 89, Session Laws of Hawaii 1996, the Legislature determined that the traditional centralized school system was not the best model to meet the needs of Hawaii's diverse student population. Thus, Act 89 began a systemic reform that envisioned "top-down support for bottom-up reforms" to provide individual schools with the flexibility and autonomy to develop and implement alternative administrative and instructional frameworks that would lead to better quality education and higher student performance. The Legislature's intent was to empower each school to be directly accountable for student achievement and "to put students first."

Although your Committee is encouraged by the Department's efforts to achieve the objectives of Act 89, your Committee finds that the Department is still mired in bureaucratic inertia. The Department's responses to your Committee's requests for information were reiterations of the inadequate information contained on budget forms and references to complying with the Department of Budget and Finance's budget instructions. While your Committee understands that the Department submits its budget in accordance with certain instructions, legislative review and oversight dictate that your Committee asks the mundane and practical questions to determine what will the funds be used for and whether such use is appropriate under law, rule, or policy.

Your Committee has grave concerns with the Department's ability to monitor and track its resources. Your Committee requested a breakdown by categorical program of the appropriations reported by the Department that comprise the seventy per cent of appropriations that are supposed to be expended by principals pursuant to section 302A-1301(b), Hawaii Revised Statutes. However, your Committee was informed that it will take some time to compile because such a report is not usually prepared by the Department's budget branch.

Your Committee also requested a report of all temporary positions established by the Department under section 302A-1116, Hawaii Revised Statutes, which requires that each temporary position created by the Department not exceed a one year term. The law also requires the Department to report the creation of all temporary positions to the Department of Budget and Finance. Your Committee was advised that the Department has created about a thousand temporary positions, with many continuing from year to year. However, the Department has never reported such positions to the Department of Budget and Finance since the enactment of the law in 1996. Your Committee finds these actions, or lack thereof, disturbing.

Your Committee further notes the recent audit of the Department's \$92,000,000 food services program and its findings that mirror the audit of the student transportation program:

- (1) Unclear ownership of the food purchasing and meal payment collections processes;
- (2) Lack of oversight, monitoring, and accountability of purchases;
- (3) Insufficient controls in the payment collection process;
- (4) Lack of current and comprehensive purchasing policies and procedures;
- (5) Lack of technology in menu planning, ordering, and inventory;
- (6) Systemic failure to follow internal procedures regarding the completion and retention of required forms and supporting documentation; and
- (7) Undefined methods for staffing school kitchens, thus rendering the process susceptible to manipulation.

If the Department is unable to efficiently provide such mundane and practical services as school lunches and bus transportation, the latter of which is estimated to face an \$8,000,000 shortfall in each year of the fiscal biennium, how can it instill confidence that it will efficiently manage new programs such as the 1:1 digital device per student strategy in meeting the new CCSS assessments?

Your Committee's adjustments to the Department's budget reflect these ongoing concerns.

Your Committee acknowledges that the schools will be required to meet the new assessments under the CCSS in the coming 2014-2015 school year and that, under the recently negotiated employment contract, teachers' compensation will be tied, in part, to the assessment results. However, your Committee is hard pressed in finding that the 1:1 digital device per student strategy is the best means of meeting the CCSS assessments.

The Department's plan to roll out an entirely new program with 1:1 digital devices, while having to meet new assessment standards, appears to place an enormous expectation, if not an unfair burden, upon teachers. The schedule of deploying the devices to teachers the first semester and requiring that they undergo professional development training on how to use the devices, while maintaining their normal course work and preparing for the new CCSS assessments, and then deploying the devices to students in the second semester and expecting the students to pass the CCSS assessments, appears to be overly optimistic.

Your Committee is aware that Hawaii is one of twenty-five states in the SMARTER Balanced Assessment consortium of states. Your Committee requested information on what the other states in the consortium were doing to meet the CCSS assessment requirements and was provided with information on seven states. Although all seven states had employed computers or laptops in a 1:1 initiative, none of the states had done so specifically in response to meeting the CCSS assessments as Hawaii proposes to do. It appears premature for the Department to commit such resources and staff time to an initiative that is being pursued by only a handful of states on an anecdotal basis.

Moreover, as the intent is to phase in the 1:1 digital device per student strategy, some students and their teachers will be unfairly burdened by the imposition of this new strategy while tasked with meeting the new CCSS assessments. Your Committee is concerned that this disparate burden imposed upon some students and teachers, but not others, will be unfairly reflected in the outcome of the CCSS assessments. Accordingly, it appears imprudent for the Department to compound what will already be an important and fundamental change to the State's assessments with an additional set of objectives and requirements stemming from the 1:1 digital device per student strategy.

Accordingly, your Committee has denied the Department's request for \$7,125,000 for fiscal year 2013-2014 and \$22,250,000 for fiscal year 2014-2015 for the 1:1 digital device per student strategy, and instead your Committee is providing \$5,000,000 in each fiscal year for weighted-student formula (WSF) funding in acknowledgement of costs that may be incurred to prepare students for the CCSS assessments.

As one of the fundamental precepts of Act 89, your Committee maintains that state funds are best spent at the school level under the direction of principals. Your Committee further believes that any federal impact aid funds received by the State should be used at the school level to directly benefit students. Although your Committee understands that the Department proposes to move federal impact

aid funds from the classroom to school support and replace it with general funds, your Committee would rather apply such federal dollars, in whatever amounts received, to the schools and classrooms.

To this end, your Committee has provided \$10,000,000 in federal funds for each fiscal year for WSF, \$40,000,000 in federal funds for each fiscal year for regular instruction, and \$3,600,000 in federal funds for each fiscal year for special education in regular schools. Your Committee rejects the Department's proposal to add \$45,980,154 in federal funds in fiscal year 2013-2014 and \$46,774,111 in federal funds in fiscal year 2014-2015 for various programs in the school support program. This funds ancillary services, not direct classroom instruction. Your Committee maintains use of federal impact aid funds only for school-based budgeting and special education.

Your Committee acknowledges the Department's efforts to address problems with student transportation services. Your Committee is hopeful that the Department will be able to break the cycle of tiered, non-competitive contracts, establish internal controls and accountability, and develop greater expertise and ownership within the Student Transportation Division. Your Committee, however, is mindful that the Department remains less than forthcoming with information. In the initial phases of budget development, it was revealed that there was an \$8,000,000 shortfall and that the Department planned to use federal impact aid funds currently programmed for school based budgeting to cover the shortfall. Your Committee rejects this proposal.

In order to engender operational efficiencies, your Committee proposes to cover half of the student transportation shortfall for each fiscal year with \$4,000,000 in general funds; however, your Committee will require that the Department match the funds with funds from the Department's school or state administration program accounts on a 1:1 basis.

The administration's request to increase the WSF general fund appropriation by \$12,857,918 in fiscal year 2013-2014 for enrollment growth and the reduction of \$1,897,428 in fiscal year 2014-2015 due to a change in the kindergarten entrance age only reflects the net adjustments and does not fully reflect the actual budget adjustment that should have occurred given that the Department will not be responsible for the approximately five thousand one hundred students that will no longer be enrolled in kindergarten. Accordingly, your Committee provided \$20,000,000 in fiscal year 2013-2014 and \$25,000,000 in fiscal year 2014-2015 in general funds, and reduced general fund appropriations for fiscal year 2014-2015 by \$20,366,539 to more accurately reflect the reduction for five thousand one hundred junior kindergarten students in the Department's budget requirements in WSF.

#### Early Learning

Your Committee supports early education for Hawaii's keiki and acknowledges that, with the upcoming change to the entrance age for kindergarten students, services will need to be made available for the estimated 3,472 unserved late-born four-year olds. Your Committee has provided positions and \$367,000 in general funds for the Executive Office on Early Learning. However, your Committee has concerns as to how many families of these unserved four-year olds will actually seek day care services and whether the projected service capacity can be achieved.

To this end, your Committee has provided \$1,269,200 for fiscal year 2013-2014 and \$1,653,000 for fiscal year 2014-2015 in general funds to provide for subsidies application and eligibility processing, data systems, and program evaluation. These funds will help to determine the breadth and scope of the demand for services, track the families being served, and allow an evaluation of the program in its early stages. Your Committee has also provided \$22,900,000 for fiscal year 2014-2015 in general funds for contracts for direct services for school readiness to assist families that do seek services.

#### Charter Schools

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 has provided \$1,083,022,254 in fiscal year 2013-2014 and \$1,059,771,305 in fiscal year 2014-2015 in general funds 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 has projected regular education enrollments of 175,868 students for fiscal year 2013-2014 and 172,493 for fiscal year 2014-2015, which does not include the Department's projected 5,100 junior kindergarten students. This equates to a funding amount of \$6,158.15 per student for fiscal year 2013-2014 and \$6,143.85 for fiscal year 2014-2015.

Your Committee used the charter schools' projected student enrollments of 10,911 for fiscal year 2013-2014 and 11,732 for fiscal year 2014-2015 in its calculation of an appropriate funding level. This projected enrollment reflects the governor's message adjustments and the deferred opening of the Malama Honua Learning Center. Under use of this enrollment figure, the charter schools' general fund appropriations must be \$67,191,620 for fiscal year 2013-2014 and \$72,079,661 for fiscal year 2014-2015 to achieve a per pupil funding amount equal to regular education students. Thus, your Committee has adjusted the executive budget request to add \$3,142,175 in fiscal year 2013-2014 and \$7,782,053 in fiscal year 2014-2015 in general funds to achieve this end.

Projected student enrollment and comparable funding for charter school and regular education students remains an ongoing concern, given how easily the counts can fluctuate, as evidenced by the inclusion of the student-count from five new charter schools, their removal from the count, the reinstatement of two schools, and then the removal of one school due to a deferred opening. Your Committee finds that having the Director of Finance make an appropriate adjustment based upon actual student enrollment will account for any other fluctuations in student enrollment projections.

#### Libraries

Your Committee finds that services provided by public libraries reach a broad spectrum of the population and are an invaluable public resource. Further, your Committee remains mindful of the need to modernize public services to keep pace with advancements in technology. Accordingly, your Committee agrees with the executive budget request for \$300,000 in general funds to provide for the expansion of service hours and \$500,000 in general funds for the purchase of books, e-book subscriptions, and other circulatory materials.

Hawaiian Home Lands

In 1978, the following provisions were added to article XII, section 1 of the State Constitution:

The proceeds and income from Hawaiian home lands shall be used only in accordance with the terms and spirit of such Act. The legislature shall make sufficient sums available for the following purposes: (1) development of home, agriculture, farm and ranch lots; (2) home, agriculture, aquaculture, farm and ranch loans; (3) rehabilitation projects to include, but not limited to, educational, economic, political, social and cultural processes by which the general welfare and conditions of native Hawaiians are thereby improved; (4) the administration and operating budget of the department of Hawaiian home lands; in furtherance of (1), (2), (3) and (4) herein, by appropriating the same in the manner provided by law.

In 2007, *Nelson v. Young*, Civil No. 07-1-1663-08 BIA, a suit for declaratory and injunctive relief was filed in the First Circuit Court against the Director of Finance and the Hawaiian Homes Commission (Commission). The Attorney General has provided your Committee with information regarding the lawsuit. The Committee understands that plaintiffs asked the court to declare that the Commission and the Director are required to budget and request, and the Legislature is required to appropriate, "sufficient sums" to enable the Department to fulfill each of the four purposes set out in the 1978 addition to article XII, section 1 of the State Constitution. Your Committee further understands that plaintiffs also asked the court to prospectively enjoin the Commission from entering into general leases of the "available lands," and to instead require that the Commission rely solely on "sufficient sums" appropriated by the Legislature to fund its implementation of the Hawaiian Homes Commission Act, 1920, enacted by Congress (HHCA). Under the HHCA, receipts from general leases are the principal source of funding for the Department of Hawaiian Home Lands' (DHHL) homesteading and other programs.

After concluding that the political question doctrine prevented the court from judging the plaintiffs' claims, the circuit court dismissed the plaintiffs' complaint and entered judgment in favor of the Director of Finance and the Hawaiian Homes Commission. The plaintiffs appealed the judgment to the Intermediate Court of Appeals (ICA). The ICA concluded that the plaintiffs' demand for legislative funding for all four constitutionally specified purposes was not barred by the political question doctrine. It vacated the circuit court's judgment and remanded the case back to the circuit court to determine what constituted "sufficient sums." The Director of Finance petitioned the Hawaii Supreme Court to review the ICA's decision; the Hawaiian Homes Commission did not file an appeal.

The ICA's judgment was affirmed in part, and vacated in part, by the Hawaii Supreme Court. *Nelson v. Young*, 127 Haw. 185, 277 P.3d 279 (2012). The Court ruled that a court could determine what constituted "sufficient sums" for DHHL's administrative and operating expenses only, but not for the other enumerated purposes. The Court held, "[i]t is clear that the constitutional delegates intended to require appropriation of 'sufficient sums' to relieve DHHL of the burden of general leasing its lands to generate administrative and operating funds, and to that end, they identified the minimum funding necessary for such expenses." 127 Haw. at 203, 277 P.3d at 297. With respect to that amount, the Court stated, "[a]t a minimum, funding at or above the \$1,300,000 to \$1,600,000 envisioned in 1978 [presumably . . . adjusted to reflect the impact of factors such as inflation or increased collective bargaining costs] would be required." *Id.*

Your Committee further understands that the case will be remanded to the circuit court to determine what constitutes "sufficient sums" for DHHL's administrative and operating expenses, as soon as the Supreme Court rules upon the plaintiffs' counsels' motion for attorneys' fees and costs on appeal.

Your Committee does not wish to intrude upon or influence the pending court proceedings. However, your Committee recognizes that administrative and operating costs will be incurred, and that both DHHL and the Governor have included requests for general fund appropriations for DHHL's administrative and operating expenses for the 2013-2015 fiscal biennium. As such, your Committee has included \$9,632,000 in general funds for each fiscal year of the next biennium, for DHHL's administrative and operating expenses.

Accounting and General Services

One important function of the Department of Accounting and General Services is the timely production of the State's comprehensive annual financial report (CAFR). Due to publication delays that negatively impacted state bond ratings, the Department was authorized to hire a private accounting firm in fiscal year 2011-2012. However, your Committee recognizes the cost-savings and enhanced oversight that can be achieved by producing the CAFR in-house. As such, your Committee has provided positions and \$96,724 in fiscal year 2013-2014 and \$49,048 in fiscal year 2014-2015 in general funds to transition the responsibility back to the Department.

The Office of Information Management and Technology (OIMT) has laid the groundwork to transform the use of technology throughout the State. OIMT strives to make access to state government more responsive and secure while enhancing service delivery to both the public and government employees. The administration continues to promote the State's information technology infrastructure needs as a high priority. The Information Resource Management Transformation Strategic Plan has outlined the specific projects necessary to enhance security and privacy, governance, and shared services. Your Committee recognizes the need to revolutionize information technology within the State. In support of these efforts, your Committee has provided positions and \$27,341,000 in fiscal year 2013-2014 and \$27,119,110 in fiscal year 2014-2015 in general funds to launch the strategic plan.

In order to ensure the State's assets and liabilities are adequately protected, proper insurance coverage is essential. Risk is present in the delivery of all government services and is coupled with costlier litigation and complex intergovernmental risk pools. The State is challenged with unique risks and a significant scope of coverage that could affect budgetary stability and potentially catastrophic financial losses. Your Committee understands the importance of a comprehensive risk management plan and has provided \$2,700,000 in general funds for property, liability, and crime insurance coverage.

Budget and Finance

Fixed costs for debt service, the Employees' Retirement System (ERS), and health benefit payments comprise nearly one-third of the State's total general fund budget. These components require annual adjustments based upon assumptions for interest rates, payroll increases, and membership growth, which are beyond your Committee's ability to modify on a near term basis.

Your Committee recognizes that the State's positive fiscal condition is the result of financial prudence exhibited over the last two years. Your Committee is mindful of the opportunity to address the State's growing unfunded liability for Other Post-Employment Benefits (OPEB). As such, your Committee has provided \$100,000,000 in general funds each year for the 2013-2015 fiscal biennium to begin prefunding OPEB. Although your Committee is aware that these amounts are not fully reflective of the proposed thirty year amortization schedule, your Committee finds this to be a necessary step toward reducing the State's unfunded OPEB liabilities.

Your Committee also requests the Director of Finance to explore ways to assess non-general funds for the reasonable and equitable portion of the unfunded liability of retirees whose salaries were paid from the non-general funds.

Your Committee finds that paying the additional amounts of the ERS unfunded liability attributable to spiking with new general fund appropriations will not encourage state agencies to deter the activity. Thus, your Committee has provided for interdepartmental transfer of \$6,000,000 each year from state agencies to make payments for the ERS unfunded liability attributable to employees spiking their pension benefits. Your Committee has directed the Director of Finance to transfer the funds based upon an assessment.

Your Committee acknowledges the Public Utilities Commission's operational efficiencies despite its limited office space. Your Committee has provided \$3,980,000 of the Commission's revenue surplus to be reinvested in the form of office expansion and renovation for the Commission.

Public Safety

Your Committee understands that economic conditions have caused a significant rise in energy costs. Despite efforts to reduce energy usage, increases in electricity and utility rates have driven utility costs beyond the Department of Public Safety's authorized budget. Thus, to accommodate cost increases, your Committee has transferred \$3,312,295 in fiscal year 2013-2014 and \$3,491,253 in fiscal year 2014-2015 in general funds from the Department's administration program account to several facilities for rising energy and sewer costs. Outdated security and rising food costs have also adversely impacted the Department's budget. Your Committee understands the need for improved safety measures and healthy meal options. Therefore, your Committee has provided \$1,046,338 in fiscal year 2013-2014 and \$945,751 in fiscal year 2014-2015 in general funds for updated cameras, phone systems, and food services.

Your Committee recognizes the need for the visual presence of sheriff deputies in public buildings as a deterrent to potential problems. In particular, the presence of sheriff deputies to provide security in the State's courthouses is necessary to protect the public and ensure the safe and efficient operations of the Judiciary. Your Committee notes that significant safety and security threats were identified throughout public access points for several judiciary facilities. As a result, your Committee has provided positions and \$514,426 in fiscal year 2013-2014 and \$845,299 in fiscal year 2014-2015 in general funds for the provision of security in Oahu, Hawaii, and Maui courts.

Your Committee understands the importance of restoring prison services and returning inmates back to Hawaii. The Department seeks to transform the current correctional system in an effort to lower recidivism rates while providing mental health and career services. Your Committee supports the Justice Reinvestment Initiative and has provided for the transfer of \$4,337,824 in fiscal year 2013-2014 and \$7,258,243 in fiscal year 2014-2015 in general funds from non-state facilities to local facilities to reopen the Kulani Correctional Facility and facilitate the transition of inmates and services back to Hawaii.

Land and Natural Resources

The Department of Land and Natural Resources is committed to protecting, conserving, and managing Hawaii's unique and limited natural, cultural, and historic resources.

Your Committee recognizes the Department's efforts 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. The Department launched the *Rain Follows the Forest Initiative* last year, which identifies and protects high priority watershed areas. With the Legislature's support, the Department was able to protect and maintain over one hundred sixty thousand acres of watersheds in fiscal year 2012-2013. In order to continue this initiative, your Committee has provided positions and \$3,500,000 in special funds to increase watershed protection throughout the State.

Invasive species are extremely detrimental to Hawaii's native ecosystems and natural resources. Your Committee is aware of the increase in invasive species over the past two years, including the increasing population of axis deer and fire ants on the Big Island and Maui, and the first detection of mongooses on Kauai, which previously served as a seabird refuge. Your Committee is also cognizant of the fiscal need to control invasive species now, to avoid exponentially increased costs of addressing invasive species damage in the future. Therefore, your Committee has provided \$1,000,000 in general funds to the Hawaii Invasive Species Council. These funds will be used as part of a competitive funding grant process for invasive species prevention, control, and outreach. In addition, your Committee is conscious of the growing invasive algae problem in Kaneohe Bay and the Department's recent success in combating the algae with the introduction of indigenous sea urchins. As such, your Committee has provided \$229,932 in general funds to continue the Department's Super Sucker project that removes the invasive algae from Kaneohe Bay.

Your Committee is mindful of the Department's efforts to accommodate the increase in visitors to Hawaii's State Parks, despite limited funding. Therefore, your Committee has provided \$442,000 in general funds for the State Parks Division's recurring payroll deficit and \$300,000 in general funds for rising electricity costs. Your Committee has also provided \$500,000 in fiscal year 2013-2014 and \$1,000,000 in fiscal year 2014-2015 in special funds for the State Parks Division to utilize their revenues from state park fee increases. In addition, your Committee has provided maintenance positions for the new Diamond Head Linear Park and Kauai District State Parks, to be funded with these increased fee revenues. Your Committee is aware of the Department resorting to state parks

special funds to fund required lifeguard services, at the expense of parks' repair and maintenance. Thus, your Committee has provided \$200,000 in general funds to support lifeguard services throughout the State.

Hawaii's State Historic Preservation Division works to preserve Hawaii's rare historical and cultural sites. Your Committee is cognizant of the Division's recent federal review, and the resulting corrective action plan requiring the Division to maintain a minimum staffing level, among other stipulations in order to avoid federal funding decreases. As such, your Committee has provided positions and \$122,448 in general funds to support federally required positions, as well as \$62,400 in special funds for the Division to upgrade its computer systems in compliance with federal equipment requirements.

#### Agriculture

Agriculture is an integral part of Hawaii's economy. Your Committee is aware that the Department of Agriculture's primary responsibilities are to promote agricultural sustainability and protect the State from invasive species. Your Committee is dedicated to promoting self-sufficiency, conserving resources, and preventing the introduction and proliferation of invasive species in the State.

Your Committee recognizes the need to attract farmers and ranchers to ensure a sustainable future for the State's food security. Therefore, your Committee has provided \$1,000,000 in special funds in fiscal year 2014-2015 to attract new farmers and ranchers by offering low interest rate loans and allowing for the opportunity to enhance Hawaii's locally grown food sources and reduce our dependence on imported food.

Your Committee is conscious of the threat of invasive species to the State and supports the Department's efforts to improve awareness, interception, and enforcement practices. To this end, your Committee has provided positions and \$739,995 in fiscal year 2013-2014 and \$1,109,213 in fiscal year 2014-2015 in special funds for Plant, Pest, and Bio Control Programs and \$306,112 in special funds for the Maui Plant Quarantine Inspector Positions, where federal funding was recently reduced. Further, your Committee has provided positions and \$230,808 in special funds for the Detector Dog Program in Honolulu Airport to intercept illegal invasive species.

#### Business, Economic Development, and Tourism

As a public entity, the State has the unique capacity to develop policies and strategies and make investments that promote job growth, industry development, and financial stability to the benefit of all Hawaii's citizens. Your Committee supports the Department of Business, Economic Development, and Tourism's efforts to generate long term economic stability through strategic multi-industry investments, business community outreach and development, and the maximization of federal funds.

The Department has identified key investment opportunities over the upcoming fiscal biennium that are expected to help promote and sustain positive growth trends throughout the economy. Through strategic implementations of business incubators and accelerators, international tradeshows, and partnerships with innovative industries, the Department has demonstrated Hawaii's potential as a strong productive leader in a globally-competitive market. As such, your Committee has provided funds to targeted areas that are expected to augment and maximize the Department's efforts. Among these general funded investments are: \$50,000 for the Hawaii fashion industry; \$250,000 for two international trade shows and the Small Business State Trade Export Promotion program, which will receive a federal match of \$1,000,000; \$100,000 for the operation of the Beijing and Taipei out of state offices; and \$100,000 for economic studies to track consumer trends and industry growth in Hawaii. Your Committee has also provided \$8,000,000 in general funds for the Hawaii Growth Initiative (HI Growth) as an investment in the State's long term economic stability. These funds are expected to generate one hundred per cent matching funds through private investments that will sustain the program going forward. Your Committee hopes that the Department will be able to achieve its investment goals through HI Growth and succeed in the cultivation and retention of private sector businesses and investors in the local economy.

While the tourism industry continues to grow, your Committee is aware that the State is approaching visitor capacity. However, your Committee is also cognizant of various emerging industries that have already experienced or anticipate significant growth potential. Clean energy has proven to be a primary area of growth and activity in Hawaii's economy. Still on track to achieve Hawaii's seventy per cent clean energy goal by 2030, Hawaii has already ranked among the top three states in the nation for solar water heaters and performance contracting per capita, power purchase agreements, cumulative installed photovoltaic capacity per capita, and clean energy job growth. In support of continuing these positive trends as well as to mitigate the risk of the State's tourism industry reaching a plateau, your Committee has provided \$2,405,000 in special funds and \$10,468,000 in other federal funds for clean energy initiatives and continued public private partnerships to develop advanced low emission and zero emission vehicles centered on electric drive technologies.

Your Committee is also mindful of the growing interest, support, and progress of aerospace projects and technologies and recognizes the importance of timely investment in a potentially landmark industry. To this end, and in accordance with the foresight of prior legislative bodies, your Committee has provided general funds to allow for continued operations of the Challenger Center Hawaii and Pacific International Space Center for Exploration systems in the amount of \$250,000 and \$1,112,664, respectively.

Prior year reductions to the Department's budget and personnel resources continue to inhibit the Department's ability to capitalize on investment opportunities and perform various statutorily mandated duties in a timely manner. Your Committee recognizes the need to address these operational deficiencies and has worked with the Department to restore critical positions and target strategic investments. To this end, your Committee has provided positions in various divisions to support operational efficiency and oversight throughout the Department. Your Committee expects that with these added positions, the Department can accommodate the growing private sector demand for services, such as land use petitions and film permits, and utilize additional administrative and clerical support to diminish internal inefficiencies.

#### Commerce and Consumer Affairs

Your Committee recognizes the Department of Commerce and Consumer Affairs' role in delivering consumer protection services, including consumer education outreach and commerce regulation. Your Committee is concerned about unlicensed contracting and advocates education as a way to mitigate this concern. As such, your Committee has provided \$306,461 in special funds for the Mortgage Foreclosure Dispute Resolution Program and \$140,000 in trust funds to support consumer education campaigns.

Attorney General

Your Committee is aware that the federal government has decreased the percentage of federal funds that the Department of Human Services (DHS) may use to compensate the Department of the Attorney General for representation in Title IV-E cases from thirty-one per cent to twenty-five per cent. Therefore, your Committee has provided positions and \$250,591 in general funds to the Department of the Attorney General Family Law Division to ameliorate the budgetary impact of the newly adjusted DHS reimbursement rate. To better serve the Division, your Committee recognizes that the ability to manage more Title IV-E cases requires the Family Law Division to lease a space in closer proximity to the Family Law Court in Kapolei. To this end, your Committee has provided \$145,000 in general funds for relocation costs to Kapolei.

Your Committee recognizes the importance of providing services to victims of crime. Therefore, your Committee has provided \$440,000 in fiscal year 2013-2014 and \$749,959 in fiscal year 2014-2015 in general funds to collect, compile, and disseminate timely and accurate restitution information to victims throughout the State. Your Committee is also cognizant of the fact that a substantial and disproportionate number of serious crimes are committed by repeat offenders. Your Committee wishes to assist in creating a safer community by focusing prosecution on repeat and violent offenders. In order to better protect the public from repeat offenders and to provide services and counseling to crime victims, your Committee has provided \$850,000 in general funds for the Career Criminal Prosecution Program and Victim Witness Program.

Your Committee has provided \$127,000 in fiscal year 2013-2014 and \$200,000 in fiscal year 2014-2015 in general funds for maintenance and operating costs for the Automated Fingerprint Identification System, which is essential to the operations of law enforcement.

Taxation

Your Committee understands that in order to enhance the State's tax revenue stream, it is essential to modernize the tax system. Currently, the Department of Taxation lacks the tools necessary to efficiently collect proceeds that fund important state programs. Therefore, your Committee has provided positions and \$1,788,966 in fiscal year 2013-2014 and \$4,277,600 in fiscal year 2014-2015 in general funds to expedite the modernization. This funding will improve the State's ability to effectively manage tax collection and streamline operations to ultimately improve service delivery, access, and returns processing in the State's tax system.

Transportation

Your Committee understands the significance of managing the State's public airports, commercial harbors, and highways. Your Committee has provided funds for debt service payments for both the airports special fund and harbors special fund. This will allow for modernization and refurbishment of airport and harbor facilities across the State. Your Committee has also provided \$87,000,000 in special funds in fiscal year 2014-2015 for various special repair and maintenance projects across the State's airports, harbors, and roadways.

Your Committee recognizes that airports are the primary means for travelers entering the State and that the Honolulu International Airport receives the bulk of incoming overseas travelers. Your Committee is dedicated to ensuring that the initial reception and impression of travelers passing through Hawaii's airports is positive. For this purpose, your Committee has provided thirty-two janitorial positions and \$755,153 in fiscal year 2013-2014 and \$1,510,306 in fiscal year 2014-2015 in special funds to ensure that the Honolulu International Airport is well-maintained and instills a lasting impression of aloha.

Defense

Your Committee understands the significance of identifying and preparing for potential disasters. In support of the Department of Defense's efforts to avert loss of life and destruction caused by landslides, your Committee has provided \$1,000,000 in general funds for land destabilization studies.

Your Committee is aware of the positive impact tuition assistance programs can make for Hawaii National Guard service members. As such, your Committee has provided \$100,000 in general funds to support recruitment and retention by means of reimbursing service members for post-secondary education costs.

Your Committee acknowledges the importance of caring for our veterans. Therefore, your Committee has provided five additional Veterans Services Counselors and \$474,196 in general funds to support veterans across the State.

Labor and Industrial Relations

Your Committee recognizes that prior year reductions have greatly affected the day-to-day operations of the Disability Compensation Division. Current staffing levels have limited the Division's ability to meet its duties as described in Act 206, Session Laws of Hawaii 2011, resulting in worker's compensation claim decisions taking up to four months. The Division also faces an increasing number of cases for temporary disability insurance claims. It is the priority of your Committee to reduce the growing backlog of Disability Compensation Division cases and help the Department of Labor and Industrial Relations address these pressing cases for the State. To this end, your Committee has provided positions and \$214,000 in fiscal year 2013-2014 and \$428,000 in fiscal year 2014-2015 in general funds to alleviate the backlog of disability compensation cases.

Your Committee acknowledges the important services provided by the Office of Community Services to Hawaii's vulnerable immigrant and ex-offender populations. Due to the federal budget sequestration, the Department faces significant reductions in its federal funding. Therefore, your Committee has provided \$1,056,118 in general funds for staffing and services to administer New Day Programs in the Office of Community Services and ameliorate the loss of federal funds.

Human Resources Development

Your Committee understands the need for adequate staffing to fulfill departmental responsibilities. The Department of Human Resources Development has struggled to complete timely and effective recruitment actions as a result of significant budget cuts in

prior years. Therefore, your Committee has provided positions and \$153,540 in fiscal year 2013-2014 and \$278,280 in fiscal year 2014-2015 in general funds to address these deficiencies and alleviate the vacancy backlog throughout the State.

Your Committee is aware of the rising cost and occurrence of workers' compensation claims as well as the Department of Human Resource Development's responsibility to pay such claims to injured state employees as required by state law. To this end, your Committee has provided \$457,000 in fiscal year 2013-2014 and \$545,000 in fiscal year 2014-2015 in general funds for these obligations.

#### VII. CAPITAL IMPROVEMENTS PROGRAM

Your Committee finds that the State's economic outlook continues to steadily improve. The infusion and investments made in state facilities over the past biennium has contributed to overall savings for our residents and has produced a steady increase in job creation for the construction industry as well. Investment in infrastructure and facilities is crucial for sustained economic growth and job creation. Your Committee also recognizes the need to support a sustained program that will diversify the State's economy, while streamlining government operations in a responsible way.

Your Committee finds that due to responsible fiscal policies implemented by the State over the past two years, as well as strategic investments in capital improvement program projects, your Committee took a more robust approach to the Capital Improvement Program appropriations. Accordingly, your Committee, after carefully considering the current economy along with the proposals, needs, and priorities of the administration and its departments, has provided a total of \$992,512,000 for fiscal year 2013-2014 and \$533,644,000 for fiscal year 2014-2015 for projects funded by general obligation bonds and \$3,035,850,000 in fiscal biennium 2013-2015 for projects funded by all means of financing. In comparison, the administration's proposed capital improvement program biennium budget, as amended pursuant to governor's messages, provided a total of \$827,189,000 for fiscal year 2013-2014 and \$516,448,000 for fiscal year 2014-2015 for projects funded by general obligation bonds and \$2,763,980,000 in fiscal biennium 2013-2015 for projects funded by all means of financing.

Next, your Committee crafted a capital improvement program budget that focused on funding both critical and significant capital projects that:

- (1) Upgrade and modernize information technology infrastructure, with over \$120,000,000 in funding for the Enterprise IT System and Tax Modernization program, as well as other departmental projects;
- (2) Address critical health, safety, and building code requirements with appropriations to the Department of Health, Hawaii Health Systems Corporation, and the University of Hawaii System;
- (3) Renovate and maintain existing state-owned facilities to reduce general fund expenditures in the future. To this end, your Committee proposes over \$230,000,000 to fund renovations to:
  - (A) The Department of Health's Waimano Ridge facility;
  - (B) Hawaii Health Systems Corporation's network of hospitals; and
  - (C) Hundreds of other projects for the Department of Education, University of Hawaii, Department of Land and Natural Resources, and the Department of Accounting and General Services; and
- (4) Designate appropriations for projects to address future capacity needs and economic growth. To this end, your Committee included:
  - (A) The College of Pharmacy building at University of Hawaii-Hilo, to meet the needs of a growing pharmacy program;
  - (B) Renovations and expansion of the Foreign Trade Zone facility;
  - (C) Four projects at the University of Hawaii-West Oahu campus; and
  - (D) Funding for Ewa Makai Middle School to complete the campus master plan and reduce overcrowding in schools in the Ewa plain.

Your Committee has continuing concerns for the State's transportation infrastructure, which is a vital component of the State's long-term economic viability. Investment in airports, harbors, and highways is necessary to address the continued influx of visitors, the efficient transport of goods within and without the State, and the day-to-day needs of our residents. Your Committee has demonstrated its commitment to transportation projects by appropriating, for fiscal biennium 2013-2015, \$1,200,000,000 for the Department of Transportation, including \$390,000,000 for state highways on every island.

Your Committee recognizes the great need in the State for services provided by non-governmental groups and nonprofit agencies. Therefore, your Committee has appropriated \$27,000,000 for fiscal year 2013-2014 for grants to nonprofit organizations for facilities improvements and expansion. Such assistance is vital, as these nonprofit organizations continue to provide much needed services to our residents.

In addition, your Committee provided funding for various projects within the Department of Transportation, Department of Defense, Department of Agriculture, Department of Health, Department of Education, and the University of Hawaii, among others, to ensure that matching federal, private, and other funds contributions are maximized and not lost or forfeited.

Finally, the biennium budget provides funding for various other capital projects that your Committee believes should be included at this time, but that may warrant additional discussion as the budget is further refined during the remainder of session to meet the evolving needs and priorities of the State.

#### VIII. CONCLUSION

Your Committee has adjusted the Governor's operating budget request by providing through this measure:



- (1) \$6,085,598,679 in general funds and \$11,904,318,805 in all means of financing for fiscal year 2013-2014; and
- (2) \$6,204,190,655 in general funds and \$12,152,166,440 in all means of financing for fiscal year 2014-2015.

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 on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 200, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 200, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 13; Ayes with Reservations (Slom). Noes, none. Excused, none.

**SCRep. 1242 (Majority) Ways and Means on H.B. No. 865**

The purpose and intent of this measure is to improve public school facilities and infrastructure to meet the challenges of the twenty-first century by optimizing the use of public school lands.

Specifically, this measure:

- (1) Establishes a three-year pilot program to generate revenue from use of public school lands for public purposes;
- (2) Establishes the school facilities special fund within chapter 302A, Hawaii Revised Statutes;
- (3) Requires the Lieutenant Governor to submit a report relating to the pilot program to the Legislature prior to the convening of the Regular Sessions of 2014 through 2016; and
- (4) Appropriates an unspecified sum of funds for the establishment of the pilot program.

Your Committee received written comments in support of this measure from the City and County of Honolulu, the He'e Coalition, the Hawaii Institute for Public Affairs, and the General Contractors Association of Hawaii.

Your Committee finds that underused public school lands on the State's two hundred fifty-seven school campuses are an untapped resource that could generate revenue to provide the infrastructure necessary to make classrooms, campuses, and communities suitable for the twenty-first century. Your Committee believes that the pilot program established by this measure will lay important groundwork for a statewide approach and plan to optimize the use of public school lands and to modernize public school 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. 865, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1243 Ways and Means on H.B. No. 927**

The purpose and intent of this measure is to spur continued economic growth and employment rates throughout the State.

More specifically, this measure places an emphasis on using employment and training fund moneys to assist small businesses with training programs, in accordance with state and county economic development strategies.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and one concerned individual.

Your Committee received written comments in opposition to this measure from one concerned individual.

Your Committee finds that small businesses in Hawaii are still suffering from the ongoing impacts of the recent global recession. Small businesses are struggling to provide necessary training for their employees, which impedes the businesses' ability to remain viable and grow. This measure would provide assistance to small businesses, increase workers' employability, and further state and county economic development strategies.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 927, 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, 1 (English).

**SCRep. 1244 Ways and Means on H.B. No. 925**

The purpose of this measure is to streamline the unemployment insurance appeals process.

Specifically, the measure:

- (1) Reduces the period for mailing notice of the initial hearing date for unemployment insurance appeals; and
- (2) Provides a claimant or party to an appeal with the option to receive notices and appeal documents from the Employment Security Appeals Referee's Office electronically in lieu of mail.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that section 91-9.5(a), Hawaii Revised Statutes, requires written notice of a hearing to be provided by mail at least fifteen days prior to the hearing date, unless otherwise provided by law. This measure shortens the notice period for

unemployment insurance appeals by requiring the notice to be mailed at least twelve days prior to the initial hearing date, allowing the parties to receive an earlier hearing and appeal decision. In addition, this measure will streamline and expedite the delivery of appeal notices and documents through quicker and cost-effective electronic means.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 925, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1245      Ways and Means on H.B. No. 921**

The purpose of this measure is to promote the efficient processing of workers' compensation appeals.

Specifically, this measure authorizes:

- (1) The Labor and Industrial Relations Appeals Board to take appropriate action to enforce its rules and orders, including the imposition of administrative and monetary sanctions; and
- (2) Workers' compensation litigants to file electronic notices of appeal with the appellate court.

The Department of Labor and Industrial Relations, Labor and Industrial Relations Appeals Board, and ILWU Local 142 provided written comments in support of this measure.

Your Committee finds that the Labor and Industrial Relations Appeals Board (Board) decides appeals from decisions and orders of the Director of Labor and Industrial Relations issued under the workers' compensation law and any other law for which an appeal to the Board is provided by law. This measure will enhance the Board's capabilities by providing the Board express authority to enforce its rules and orders. Further, this measure will improve the processing of the Board's decisions for judicial review by authorizing workers' compensation litigants to electronically file notices of appeal.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 921, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1246      (Majority) Ways and Means on H.B. No. 919**

The purpose and intent of this measure is to enable the State to further implement its work experience training and temporary public service employment programs.

More specifically, this measure:

- (1) Expands the exemption from the state civil service laws for temporary public service employment to include work experience training and limits the exemption to those persons entering the workforce or transitioning into other careers under specified federal or state programs; and
- (2) Exempts persons described in paragraph (1) from automatic disqualification from public employment based upon a controlled substance-related offense.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations.

Your Committee finds that participants who complete work experience training will be better equipped to compete for jobs, thereby reducing or eliminating reliance upon public benefits such as unemployment insurance and welfare assistance. Furthermore, because criminal offenders are less likely to return to prison if they are working, work experience training contributes toward lower recidivism rates.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 919, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1247      (Majority) Ways and Means on H.B. No. 527**

The purpose and intent of this measure is to repeal the uniform maintenance allowance for enlisted personnel.

Your Committee finds that the Legislature established the uniform maintenance allowance for enlisted personnel during the Regular Session of 1967 to assist enlisted members of the National Guard with the cost of professionally laundering their uniforms. However, this allowance is no longer necessary because most modern military uniforms are made of wash and wear fabric that does not require dry cleaning. Your Committee further finds that the numerous benefits accorded by the State to the National Guard and other military members in recent years will more than cover the loss of funds experienced by enlisted personnel upon the repeal of the uniform maintenance allowance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 527, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Chun Oakland, Kahele, Thielen). Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1248 Commerce and Consumer Protection on H.B. No. 1314**

The purpose and intent of this measure is to authorize:

- (1) The Department of Agriculture to request the use of certain language on beer labels to convey the true place of production in cases where the labels tend to create the false impression that the beer was produced in Hawaii or a region of Hawaii; and
- (2) The inclusion of the name of the bottler and place where the beer was bottled or canned on beer labels bearing any Hawaiian brand name or adjective, Hawaiian word or statement, design, or device for beer that is sold or distributed in the State.

Your Committee received testimony in support of this measure from Maui Brewing Co.; Kauai Brewers LLC; Kaua'i Island Brewing Company, LLC; Big Island Brewhaus; and one individual. Your Committee received testimony in opposition to this measure from Kona Brewing Co. and Capitol Consultants of Hawaii, LLP.

Your Committee finds that Hawaii consumers often wish to know the origin of the food and beverages they are consuming. A beer brewer who manufactures beer outside of Hawaii, then labels the beer without indicating the actual origin of manufacture may cause confusion amongst consumers, especially for those consumers who value locally made products in order to support local businesses and ensure quality and freshness of the products.

Your Committee notes that this measure requests, but does not require, the use of certain language on beer labels to convey the true place of production and the name of the bottler and the place where the beer was bottled or canned in certain 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 H.B. No. 1314, 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, 3 (Galuteria, Wakai, Slom).

**SCRep. 1249 Commerce and Consumer Protection on H.B. No. 811**

The purpose and intent of this measure is to:

- (1) Improve the ease and efficiency of Energy Industry Information Reporting Act processes for reporting entities by combining all information and registration gathering functions within the Department of Business, Economic Development, and Tourism; and
- (2) Clarify the enforcement and investigatory powers of the Public Utilities Commission following the consolidation of information gathering and registration functions within the Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Public Utilities Commission.

Your Committee finds that the Public Utilities Commission presently administers the registration and information gathering requirements of the Energy Industry Information Reporting Act, codified as chapter 486J, Hawaii Revised Statutes. The Department of Business, Economic Development, and Tourism also performs similar energy industry information gathering functions under other statutes and has a well-established database system. This measure simplifies the registration and reporting processes for fuel distributors by merging the registration and reporting requirements of chapter 486J, Hawaii Revised Statutes, within existing reporting processes under the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of 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. 811, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1250 Commerce and Consumer Protection on H.B. No. 654**

The purpose and intent of this measure is to:

- (1) Require the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs to collaborate with the Center for Nursing to enable the Center to obtain nursing-related data;
- (2) Require the Professional and Vocational Licensing Division to provide the Center for Nursing with certain information through a memorandum of understanding; and
- (3) Request completion of a survey developed by the Center for Nursing as part of the license renewal requirements under chapter 457, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Board of Nursing; Hawai'i State Center for Nursing; Hawai'i Pacific Health; Hawai'i Association of Professional Nurses; American Organization of Nurse Executives, Hawai'i Chapter; and six individuals. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure requires the Professional and Vocational Licensing Division to provide nurse license contact information to the Hawaii State Center for Nursing. Your Committee further finds that the Professional and Vocational Licensing Division has agreed to include the Center for Nursing's workforce survey at the beginning and end of the online license renewal process and include a link to the Center for Nursing's survey on the Board of Nursing's web page. This will enable the Center

for Nursing to contact nurses and obtain workforce data that can be used to determine the current and future trends of the nursing workforce.

Your Committee additionally finds that effective workforce planning and policymaking require better data collection and an improved information infrastructure. The Center for Nursing's surveys related to nursing programs, registered nurses, and licensed practical nurses are a valuable way to collect nursing-related data and will ensure a more complete assessment of the nursing workforce 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. 654, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1251 Ways and Means on H.B. No. 1388**

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist Sunrise Capital, Inc., a pathogen-free shrimp hatchery.

More specifically, this measure authorizes issuance of special purpose revenue bonds in an unspecified amount to assist Sunrise Capital, Inc., for the planning, design, and construction of a two-phase project to protect their current packing facility and relocating the packing facility and salt water well further inland.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee has amended this measure by changing the unspecified bond amount to \$1,300,000.

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. 1388, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1388, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1252 Ways and Means on H.B. No. 1136**

The purpose and intent of this measure is to appropriate an unspecified amount for the Hawaii Civil Air Patrol for fiscal years 2013-2015.

Your Committee received written comments in support of this measure from the Kona Composite Squadron-Hawaii Wing-Civil Air Patrol-United States Air Force Auxiliary, Civil Air Patrol-Hawaii Wing, and three individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that this measure supports and enables the Hawaii Civil Air Patrol to continue its valuable services to the State.

Your Committee has amended this measure by changing the effective date to July 1, 2150, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1136, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1136, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1253 Ways and Means on H.B. No. 1119**

The purpose and intent of this measure is to appropriate funds for the redevelopment of the Mayor Wright Homes; provided that the funds are matched by private or federal funds.

Your Committee finds that this measure is necessary to maintain and support public housing projects in the State.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1119, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1119, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1254 Ways and Means on H.B. No. 986**

The purpose and intent of this measure is to support foster care services in the State.

More specifically, this measure:

- (1) Requires the Department of Human Services to increase the monthly board payment from \$529 a month to an unspecified amount;
- (2) Appropriates an unspecified amount to the Department of Human Services for the purposes of funding the monthly board payment rate increase; and
- (3) Requires the Department of Human Services to submit a report to the Legislature prior to the Regular Session of 2014 and 2015 regarding the status, cost, and effect of the increased board payments.

Your Committee received written comments in support of this measure from Catholic Charities Hawaii, Hawaii Youth Services Network, and five individuals.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that that the current monthly board payment for foster care services was set in 1990 and is insufficient to cover the current, actual costs of providing care to foster children. Accordingly, your Committee believes that it is in the interest of the State to increase the monthly board payment to ensure that foster boarding home parents, group homes, and child caring institutions have sufficient funding to provide housing, utilities, clothing, and other necessities.

Your Committee has amended this measure by changing the effective date to July 1, 2051, 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. 986, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 986, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1255 Ways and Means on H.B. No. 518**

The purpose and intent of this measure is to facilitate and assist in the acquisition of permanent housing for qualified families and individuals.

Specifically, the measure appropriates an unspecified sum of funds for the:

- (1) State rent supplement program to obtain and maintain permanent housing for homeless working individuals or families who are ready to rent permanent housing; and
- (2) Department of Human Services to hire and train one program specialist to monitor the state rent supplement program and to enter into contracts to implement the program on a statewide basis.

Your Committee received written comments in support of this measure from the Hawaii Appleseed Center for Law and Economic Justice, Catholic Charities Hawaii, Community Alliance for Mental Health, and one individual. The Department of Human Services and Partners in Care submitted written comments on the measure.

Your Committee finds that many hardworking individuals and families remain in transitional housing programs because they cannot afford permanent, market-level housing. Your Committee believes that, by appropriating funds for the state rent supplement program, this measure will help these individuals and families to transition from temporary shelters to permanent housing.

Your Committee has amended this measure by:

- (1) Clarifying that individuals and families that work either part-time or full-time shall be eligible for the rent supplement; 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 is in accord with the intent and purpose of H.B. No. 518, 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. 518, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1256 Ways and Means on H.B. No. 514**

The purpose and intent of this measure is to establish, within the chapter of the Hawaii Revised Statutes relating to the Hawaii Public Housing Authority, a state tax exemption for income earned and obligations issued by public housing agencies.

Your Committee received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee received written comments on this measure from the Hawaii Public Housing Authority and the Tax Foundation of Hawaii.

Your Committee finds that section 201H-37, Hawaii Revised Statutes, presently exempts from state taxation income earned and obligations issued by public housing agencies, pursuant to section 11 of the United States Housing Act of 1937, for the development of low-income housing projects. Your Committee also finds that this housekeeping measure establishes a state tax exemption from income earned and obligations issued by a public housing agency in the chapter of the Hawaii Revised Statutes that establishes the State's public housing authority.

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 514, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 514, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1257 Commerce and Consumer Protection on H.B. No. 672**

The purpose and intent of this measure is to prohibit the sale of any tobacco product or vapor product to a minor under eighteen years of age and the purchase of any tobacco product or vapor product by a minor under eighteen years of age.

Your Committee received testimony in support of this measure from the Department of Health, Coalition for a Tobacco-Free Hawaii'i, Volcano Fine Electronic Cigarettes, and numerous individuals. Your Committee received comments on this measure from the American Cancer Society Cancer Action Network.

Your Committee finds that smoking and tobacco use remain Hawaii's and the nation's leading cause of preventable morbidity and mortality. Tobacco companies spend millions of dollars each year in Hawaii on advertising, marketing, and promotions to attract "replacement smokers." Every year, approximately 1,500 Hawaii youth become new daily smokers.

Your Committee has heard the concerns that the term "vapor product", as defined in this measure, is too narrow. "Vapor product" refers only to a noncombustible tobacco-derived product containing nicotine and is not inclusive of the electronic mechanism, which simulates smoking and delivers nicotine and other substances; the cartridge; or other components of the device. Your Committee concludes that the preferred definition is "electronic smoking device", as this broader definition covers the entire electronic product. Amendments to this measure are therefore necessary to incorporate this more appropriate definition.

Your Committee has also heard the concerns about the definition of "tobacco product" as proposed by this measure. Your Committee notes that existing statute currently contains a very broad definition of "tobacco". Attempting to narrow this definition in any shape or form may impact other statutory references and hamper enforcement efforts. Your Committee concludes that amendments to this measure are necessary to remove language that would have altered existing references to tobacco in section 709-908, Hawaii Revised Statutes.

Your Committee further finds that research has shown that preventing the display of tobacco products leads to a decrease in the number of children and youth experimenting with and becoming addicted to tobacco products. Prohibiting self-service displays where the customer has direct access to tobacco products is a realistic action to discourage tobacco company products at the point of sale in retail locations. Your Committee additionally finds that the Department of Health and the Department of the Attorney General have offered language relating to tobacco product placement. This language addresses constitutional issues associated with product placement restrictions and aligns with the restrictions under the federal Family Smoking Prevention and Tobacco Control Act of 2009. Amendments to this measure are therefore necessary to incorporate the consensus language from the Department of Health and the Department of the Attorney General.

Accordingly, your Committee has amended this measure by:

- (1) Prohibiting the sale of tobacco or electronic smoking devices to a minor under eighteen years of age and the purchase of tobacco product or electronic smoking devices by a minor under eighteen years of age, rather than prohibiting the sale or purchase of tobacco products and vapor products by minors under eighteen years of age;
- (2) Inserting a definition of "electronic smoking device";
- (3) Deleting definitions for "tobacco product" and "vapor product" and removing proposed language in section 709-908, Hawaii Revised Statutes, that would have altered references to "tobacco";
- (4) Inserting language to require retailers to sell cigarettes, smokeless tobacco, and all other tobacco products only in a direct face-to-face exchange between the retailer and consumer but permitting exceptions for retail tobacco stores, bars, or establishments where the minimum age for admission is eighteen;
- (5) Inserting an effective date of July 1, 2013; 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 H.B. No. 672, 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. 672, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1258 Commerce and Consumer Protection on H.B. No. 1405**

The purpose and intent of this measure is to:

- (1) Require the Public Utilities Commission to include a summary of the power purchase agreements in effect during the fiscal year in its annual report to the Governor; and
- (2) Clarify the use of the public benefits fee under section 269-121, Hawaii Revised Statutes, to support clean energy technology, demand response technology, and energy use reduction, and demand-side management infrastructure.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; and Blue Planet Foundation. Your Committee received comments on this measure from the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs.

Your Committee finds that transparency in the process of purchasing renewable electricity generated from nonfossil fuel sources serves the interests of independent power producers who compete to sell energy to the energy utilities and the rate-paying public by creating an opportunity for review and oversight of the Public Utilities Commission's decision-making process. This measure brings consistency to the reporting and formatting of information by the Public Utilities Commission and will provide an easier way for the general public to locate and access power purchase contract information.

Your Committee further finds that this measure clarifies and expands the use of the public benefits fee, thus supporting clean energy technology, demand response technology, and energy use reduction, and demand-side management infrastructure.

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. 1405, 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. 1405, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1259 Ways and Means on H.B. No. 762**

The purpose and intent of this measure is to establish the Washington Place trust fund for purposes of funding the repair, maintenance, and upkeep of Washington Place.

This measure also establishes the Department of Accounting and General Services as the entity responsible for the administration and maintenance of Washington Place.

The Department of Accounting and General Services submitted written comments in support of this measure.

Your Committee finds that, under current law, any rent or revenue generated by the use of Washington Place is deposited into the general fund. This measure provides that revenue from rentals, donations, and concessions at Washington Place shall be deposited into the Washington Place trust fund to fund the repair, maintenance, and upkeep of Washington Place. Your Committee believes that this measure will assist the Department of Accounting and General Services in fulfilling its responsibilities for maintenance and upkeep of Washington Place.

Your Committee has amended this measure by limiting the corpus of the fund to an unspecified amount.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 762, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 762, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1260 Ways and Means on H.B. No. 924**

The purpose and intent of this measure is to increase the efficiency of the Hawaii Labor Relations Board.

More specifically, this measure exempts the Board from the requirement to provide notice of hearings by registered or certified mail and instead requires notice to be given by first class mail.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the Hawaii Labor Relations Board.

Your Committee finds that requiring the Board to provide notice of hearings by first class mail instead of registered or certified mail will save the Board approximately \$2,200 per year, without significantly altering the hearing notification process. This savings will help fund the development of an electronic filing system for the Department of Labor and Industrial Relations.

Your Committee has amended this measure by clarifying that the notice requirement applies to all hearings conducted by the Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 924, 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. 924, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1261 Ways and Means on H.B. No. 1209**

The purpose and intent of this measure is to improve access to and knowledge of public hearings and informational briefings held at the State Capitol.

More specifically, this measure requires the legislative broadcast program to:

- (1) Make an audio or audiovisual recording of all public hearings and informational briefings held at the State Capitol; and

- (2) Maintain an archive of the recordings and make them available to the public.

Your Committee received written comments in support of this measure from Common Cause Hawaii and Hawaii Alliance of Nonprofit Organizations.

Your Committee received written comments on this measure from the Legislative Reference Bureau.

Your Committee finds that public access to and knowledge of legislative hearings and informational briefings promotes governmental transparency and contributes to an informed public. Your Committee believes that this measure would help increase the public's participation in government proceedings.

Your Committee has amended this measure by:

- (1) Changing the appropriation to an unspecified sum; and
- (2) Changing the expending agency from the Legislative Reference Bureau to the House of Representatives and the Senate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1209, 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. 1209, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1262 Ways and Means on H.B. No. 1419**

The purpose and intent of this measure is to appropriate funds for salaries, expenses, and equipment for the Pacific International Space Center for Exploration Systems.

This measure also requires the Pacific International Space Center for Exploration Systems to submit a report to the Legislature no later than September 1, 2013.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; the University of Hawaii at Hilo; a member of the Hawaii County Council; and eighteen individuals. One individual submitted written comments on this measure.

Your Committee finds that funds for the Pacific International Space Center for Exploration Systems will help to stimulate growth of Hawaii's economy through aerospace research and other technologies that support space exploration.

Your Committee has amended this measure by making a technical nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1419, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1419, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1263 Commerce and Consumer Protection on H.B. No. 529**

The purpose and intent of this measure is to:

- (1) Require all operators of adult foster homes, assisted living facilities, adult residential care homes, expanded adult residential care homes, community care foster family homes, and developmental disabilities domiciliary homes to hold a sufficient amount of liability insurance and automobile liability insurance; and
- (2) Increase the number of adults with developmental or intellectual disabilities who can be served in an adult foster home.

Your Committee received testimony in support of this measure from the Department of Human Services, Adult Foster Homes of the Pacific, Big Island Adult Foster Home Operators, Alliance of Residential Care Administrators, Adult Foster Homecare Association of Hawaii, and numerous individuals. Your Committee received comments on this measure from the Department of Health, State Council on Developmental Disabilities, and Disability and Communication Access Board.

Your Committee finds that requiring operators of care homes to obtain and maintain liability insurance and automobile liability insurance protects the operators and the residents of these homes and facilities. Such coverage is prudent, given the ever-increasing number of people who reside in these homes and facilities.

Your Committee further finds that this measure increases the number of adults with development or intellectual disabilities who can be served in an adult foster home. Your Committee notes that the intent of certifying adult foster homes for up to two adults with developmental or intellectual disabilities was to provide a family home setting, rather than a group home setting. Increasing the number of adults moves away from that intent and toward the direction of the group home model.

However, your Committee recognizes that there may be certain situations where it would be appropriate to increase the number of adults with developmental disabilities or intellectual disabilities who can reside in an adult foster home. Rather than a blanket increase in the number of adults in these homes, your Committee concludes that it would be more appropriate to provide the Director of Health with the flexibility to waive the two adult restriction for adult foster homes on a case-by-case basis.

Accordingly, your Committee has amended this measure by:



- (1) Deleting language that would have increased the number of adults with developmental or intellectual disabilities who can be served in an adult foster home from two to three; and
- (2) Permitting the Director of Health to waive the two adult limit for certification of a home as an adult foster home; provided that the number of adults with developmental or intellectual disabilities in the certified home shall not exceed three adults with developmental or intellectual disabilities.

As affirmed by the record of votes of the members of 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. 529, 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. 529, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1264 Ways and Means on H.B. No. 378**

The purpose and intent of this measure is to provide an unspecified sum of matching funds for the environmental impact statement associated with the planned beach nourishment project at Kaanapali beach on the island of Maui.

Your Committee received written comments in support of this measure from Kaanapali Operations Association, Inc.

Your Committee finds that the restoration of Kaanapali beach is necessary to preserve a vital cultural, environmental, and recreational resource for residents and visitors on the island of Maui. Your Committee further finds that the cost of the environmental impact statement associated with the planned beach nourishment project at Kaanapali beach is estimated to be \$800,000. The intent of the appropriation in this measure is to match the \$400,000 that Kaanapali Operations Association, Inc., has committed towards the environmental impact statement.

Your Committee has amended this measure by clarifying that the funds shall be appropriated out of the beach restoration special fund.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 378, 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. 378, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1265 (Majority) Ways and Means on H.B. No. 385**

The purpose and intent of this measure is to implement two of the recommendations made by the Hawaii State Asset Building and Financial Education Task Force:

Specifically, this measure:

- (1) Establishes a state earned income tax credit to assist low-income workers;
- (2) Requires the Department of Human Services to offer financial education to applicants and recipients of temporary assistance for needy families; and
- (3) Appropriates funds for financial education.

Your Committee received written comments in support of this measure from Catholic Charities Hawaii; Community Alliance on Prisons; Goodwill Industries of Hawaii; Hawaii Alliance for Community-Based Economic Development; Hawaii Catholic Conference; Hawaii Women's Coalition; Kokua Kalihi Valley; National Community Tax Coalition; PHOCUSED; and two individuals. One individual submitted written comments in opposition to this measure. Your Committee received written comments on this measure from the Department of Human Services and Tax Foundation of Hawaii.

Your Committee finds that at least twenty-five states have enacted a state earned income tax credit. Establishing an earned income tax credit in Hawaii will provide an incentive for low-income households to remain in the workforce while providing them with meaningful support to escape from poverty. Your Committee further finds that offering financial education for families receiving temporary assistance for needy families will help them understand the financial concepts necessary to become self-sufficient.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 385, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 385, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1266 Ways and Means on H.B. No. 414**

The purpose and intent of this measure is to promote the proper stewardship, preservation, and maintenance of Waipio Valley on the island of Hawaii.

More specifically, this measure:

- (1) Establishes the Waipio Valley Advisory Commission within the Department of Land and Natural Resources for the development of a long-term plan that ensures the proper stewardship, preservation, and maintenance of Waipio Valley; and

- (2) Appropriates funds to the Department of Land and Natural Resources for the design and construction of flood damage reduction and stream stabilization in Waipio Valley.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs.

Your Committee finds that Waipio Valley, which traditionally served as an agricultural center on the island of Hawaii, now faces a variety of challenges, including competing land uses, visitor activities, stream water access, and flood control challenges. Your Committee believes that long-term planning is necessary to provide proper stewardship, preservation, and maintenance of the valley.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to promote continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 414, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 414, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1267 Ways and Means on H.B. No. 417**

The purpose and intent of this measure is to address the severe shortage of healthcare providers in the State.

More specifically, this measure appropriates an unspecified amount for the Interdisciplinary Hawaii Health Systems Corporation Primary Care Training Program at Hilo Medical Center.

Your Committee received written comments in support of this measure from Hawaii State Center for Nursing; Hawaii Health Systems Corporation; Hilo Medical Center; Hilo Medical Center Foundation; Hawaii Council of Mayors; Office of the Mayor-County of Hawaii; Hawaii County Council; AARP; East Hawaii Hiroshima Kenjin Kai; Hawaii Island Chamber of Commerce; Hawaii Island Family Medicine Residency; Hawaii Medical Association; Hawaii Pacific Health; Hui Malama Ola Na Oiwai; Japanese Chamber of Commerce & Industry of Hawaii; Kona-Kohala Chamber of Commerce; PCMC; Wyndham Vacation Ownership; and thirty-eight concerned individuals.

Your Committee received written comments on this measure from Hawaii Health Systems-East Hawaii Region; Hilo Medical Center Home Care; and five concerned individuals.

Your Committee finds that the State faces a severe shortage of healthcare providers. The Hawaii Health Systems Corporation Primary Care Training Program administered by Hilo Medical Center is a training model that generates interdisciplinary teams capable of caring for four times as many patients as independent practicing physicians. This measure would provide the necessary funds to expand this successful training model to other parts of the State.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 417, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 417, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1268 Ways and Means on H.B. No. 473**

The purpose and intent of this measure is to:

- (1) Permit the Natural Energy Laboratory of Hawaii Authority to develop, enter into, and implement inter-agency agreements with the Department of Business, Economic Development, and Tourism without the need for a memorandum of agreement or memorandum of understanding; and
- (2) Require certain terms to be included in any contract between the Natural Energy Laboratory of Hawaii Authority and any state agency, office, department, or other administrative subdivision.

Your Committee received written comments in support of this measure from the Natural Energy Laboratory of Hawaii Authority.

Your Committee received written comments on this measure from the Department of Taxation.

Your Committee finds that this measure will facilitate collaboration between the Natural Energy Laboratory of Hawaii Authority and the Department of Business, Economic Development, and Tourism and promote the efficient use of available resources.

Your Committee has amended this measure by:

- (1) Deleting the reference to “contracts” in the title of the proposed section and replacing the term “contract” with “inter-agency agreement” in the remainder of the proposed section; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 473, 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. 473, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1269 (Majority) Ways and Means on H.B. No. 800**

The purpose and intent of this measure is to appropriate an unspecified amount from the Energy Security special fund for the program on environment and energy development to support the Hawaii Refinery Task Force.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that this measure is necessary to fund and support the activities of the Hawaii Refinery Task Force.

Your Committee has amended this measure by:

- (1) Inserting \$145,000 as the amount of the appropriation; 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. 800, 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. 800, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 1270 (Majority) Ways and Means on H.B. No. 673**

The purpose and intent of this measure is to better address the potential public health and environmental issues related to restricted use pesticides by requiring the Department of Agriculture to publish on its website the public information contained in all restricted use pesticide records, reports, or forms submitted to the Department.

Your Committee received written comments in support of this measure from two members of the Kauai County Council, Hawaii Oasis, Hawaii Farmer's Union United, Hawaii SEED and GMO Free Kauai, Ho'okipa Network-Kauai, Kauai Rising, Kanaka Freedom, and fifty-seven individuals. The Molokai Farm Bureau and one individual submitted written comments in opposition to this measure. The Hawaii Pest Control Association and three individuals submitted written comments.

Your Committee finds that there are concerns within the community about the effects that pesticide exposure may have on the health and wellness of community members. Your Committee believes that by requiring publication of certain information about restricted use pesticides, concerned community members will be better informed regarding the types of restricted use pesticides being used in their area, thereby enabling them to take necessary precautions against the possible harmful side effects of pesticide exposure.

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. 673, 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. 673, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 1271 Ways and Means on H.B. No. 808**

The purpose and intent of this measure is to preserve the tax qualified status of the Employees' Retirement System under section 401(a) of the Internal Revenue Code of 1986.

Specifically, the bill amends the Employees' Retirement System law by:

- (1) Adding a provision to clarify that spousal terms include civil union partners and civil unions unless such recognition conflicts with the requirements of the Employees' Retirement System to be a tax-qualified plan under the Internal Revenue Code;
- (2) Adding a provision to specify that civil union partners are not entitled to the rights of spouses if they are not entitled to the rights of spouses under the Internal Revenue Code; and
- (3) Amending certain provisions of the Employees' Retirement System law to remove references to civil union partners.

Your Committee received written comments in support of this measure from the Department of Budget and Finance.

Your Committee received written comments on this measure from the Employees' Retirement System of the State of Hawaii.

Your Committee finds that this measure is necessary to preserve the tax qualified status of the Employees' Retirement System for the benefit of all members in the System.

Your Committee has amended this measure by:

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

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 808, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 808, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1272 Ways and Means on H.B. No. 858**

The purpose and intent of this measure is to appropriate funds to the Hawaii Strategic Development Corporation to develop and strengthen entrepreneurialism, commercialization, and business formation for the purposes of promoting the creation of competitive high-growth companies in Hawaii.

This measure also requires the Hawaii Strategic Development Corporation to submit yearly reports to the Legislature on the annual outcomes achieved through the activities and expenditures of the HI Growth initiative.

Your Committee received comments in support of this measure from the Office of the Governor; the Department of Business, Economic Development, and Tourism; the Hawaii Strategic Development Corporation; the High Technology Development Corporation; the Hawaii Venture Capital Association; AKAMAI Capital LLC; the Hawaii Food Industry Association; the Founder Institute Hawaii Chapter; the Pacific International Center for High Technology Research; the Chamber of Commerce of Hawaii; and five individuals.

Your Committee finds that providing resources to promote an innovation infrastructure will encourage Hawaii's creative and entrepreneurial talent to remain in Hawaii and develop ideas into high growth business ventures that will contribute to diversifying the State's economy and creating jobs.

Your Committee has amended this measure by:

- (1) Codifying the requirement that the Hawaii Strategic Development Corporation submit a yearly report to the Legislature on the annual outcomes achieved through the activities and expenditures of the HI Growth Initiative; 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. 858, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 858, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1273 Ways and Means on H.B. No. 908**

The purpose and intent of this measure is to appropriate funds to the Department of Health to establish the Hawaii home visiting program for hospital-based screening and home visiting services for the families of newborns at risk for poor health and safety outcomes.

Your Committee received written comments in support of this measure from the Executive Office on Early Learning, Child and Family Service, Catholic Charities Hawaii, the Hawaii Family Support Institute, and the March of Dimes Foundation, Hawaii Chapter.

Your Committee finds that home visiting is a prevention strategy used by states and communities to improve the health and well-being of women, children, and families at risk for adverse developmental, health, and safety concerns. Home visiting programs have been shown to reduce costs associated with foster care placements, hospitalizations, emergency room visits, unintended pregnancies, and other more costly outcomes and interventions. Your Committee believes that this measure will help secure these benefits for Hawaii.

Your Committee has amended this measure by changing the effective date to July 1, 2050, in order to promote continued discussion of the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 908, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 908, H.D. 2, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1274 (Majority) Ways and Means on H.B. No. 914**

The purpose and intent of this measure is to establish the Hawaii Interagency Obesity Prevention Council to formulate and advise the Governor on a ten-year statewide plan to address child and adult obesity. This measure also appropriates an unspecified amount of funds to support programs to prevent child and adult obesity.

Your Committee received written comments in support of this measure from the Department of Health and Hawaii Pacific Health.

Your Committee finds that nearly one-third of Hawaii children entering kindergarten are overweight or obese. In addition, twenty-three per cent of adults in Hawaii are obese and another thirty-four per cent are overweight. Hawaii spends approximately \$470,000,000 on obesity-related health problems. Your Committee further finds that reducing obesity in the State will reduce health care spending associated with obesity-related diseases and will improve the health of Hawaii's residents.

Your Committee has amended this measure by:

- (1) Clarifying that only the Director of Health, the Director of Human Services, and the Superintendent of Education may designate a person to serve on the Hawaii Interagency Obesity Prevention Council in their stead; 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 H.B. No. 914, 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. 914, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, 1 (Slom). Excused, 3 (Kahele, Kouchi, Thielen).

**SCRep. 1275 Ways and Means on H.B. No. 1227**

The purpose and intent of this measure is to appropriate funds for the maintenance of landscaped areas of the Iolani Palace grounds.

One individual submitted written comments in support of this measure. The Department of Accounting and General Services submitted written comments on this measure.

Your Committee finds that the funds appropriated will assist in the maintenance of the grounds surrounding Iolani Palace, including restoring historically appropriate landscaping.

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 encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1227, 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. 1227, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1276 Ways and Means on H.B. No. 1330**

The purpose and intent of this measure is to appropriate an unspecified amount for the Department of Land and Natural Resources Division of Conservation and Resources Enforcement.

Your Committee received written comments in support of this measure from one individual.

Your Committee finds that this measure enables the Division of Conservation and Resources Enforcement to continue its services and supports the protection of Hawaii's natural resources.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1330, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1330, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1277 Ways and Means on H.B. No. 1392**

The purpose and intent of this measure is to support the activities of the 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i.

More specifically, this measure:

- (1) Appropriates an unspecified amount to the 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i special fund for fiscal biennium 2013-2015; and
- (2) Authorizes an appropriation of an unspecified amount from the special fund to support the activities of the Archive.

Your Committee finds that this measure enables the 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawai'i to continue to educate individuals about the history of Hawaii.

Your Committee has amended this measure by changing the effective date to July 1, 2150, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1392, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1392, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1278 Ways and Means on H.B. No. 1430**

The purpose and intent of this measure is to appropriate \$300,000 for the establishment and operation of a comprehensive service center for the deaf, hard of hearing, and deaf-blind.

Your Committee received written comments in support of this measure from the Hawaii State Public Library System-Library for the Blind and Physically Handicapped, the Community Alliance for Mental Health, and four individuals.

Your Committee received written comments on this measure from the Department of Human Services and one individual.

Your Committee finds that this measure encourages community participation and promotes individual growth for the deaf, hard of hearing, and deaf-blind population in the State.

Your Committee has amended this measure by changing the appropriation to an unspecified amount 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. 1430, 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. 1430, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1279 Ways and Means on H.B. No. 1133**

The purpose and intent of this measure is to repeal chapter 171C, Hawaii Revised Statutes, relating to the Public Land Development Corporation.

This measure also:

- (1) Transfers the Public Land Development Corporation's employees and assets to the Department of Land and Natural Resources;
- (2) Deposits funds appropriated to the Department of Land and Natural Resources pursuant to Act 55, Session Laws of Hawaii 2011, into the land conservation fund; and
- (3) Deposits proceeds in the stadium facilities special fund and the school facilities special fund into the general fund.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; two members of the Kauai County Council; Hawaii's Thousand Friends; Tropical Orchid Farm, Inc.; the Community Alliance on Prisons; the IMU Alliance; the Puna Pono Alliance; and fifty two individuals. One individual submitted written comments in opposition to the measure. One individual submitted written comments.

Your Committee finds that the community has expressed significant concerns regarding the establishment of the Public Land Development Corporation, particularly relating to the exemptions granted to the Corporation. The exemptions, coupled with the manner in which Act 55, Session Laws of Hawaii 2011, was passed, have led to distrust and uncertainty of the Corporation's intentions and development plans. Accordingly, your Committee finds that, at this time, it is in the public's best interest to repeal the legislation that established the Public Land Development Corporation.

Your Committee has amended this measure by:

- (1) Deleting the provision that transferred the Public Land Development Corporation's Executive Director, Planner, and Project-Development Specialist to the Department of Land and Natural Resources; 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. 1133, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1133, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1280 Ways and Means on H.B. No. 899**

The purpose and intent of this measure is to restore the exemption from paying a pro rata share of central service expenses of state government for the deposit beverage container deposit special fund.

Your Committee received written comments in support of this measure from the Department of Health.

Your Committee finds that the exemption for deposit beverage container deposit revenues, which was removed by the Legislature in 2009, should be restored because these revenues are designated for redemptions to consumers.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 899, 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. 899, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1281 (Majority) Tourism and Hawaiian Affairs on Gov. Msg. Nos. 587 and 588**

Recommending that the Senate advise and consent to the nominations of the following:

ISLAND BURIAL COUNCIL, ISLAND OF O'AHU

G.M. No. 587 DANNA HOLCK, for a term to expire 6-30-2016; and

G.M. No. 588 KALI FERMANTEZ, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Danna Holck and Kali Fermantez to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council for the Island of Oahu.

DANNA HOLCK

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Oahu Island Burial Council, Turtle Bay Resort, Kahuku Medical Center, Ku'iwalu, Kanalu K38, Polynesian Cultural Center, and fifteen individuals. Your Committee received testimony in opposition to this nominee from Keep the County Country, Inc.; Ko'olauloa Hawaiian Civic Club; Ilio Ulaokalani Coalition; and numerous individuals.

Ms. Holck earned a degree from the College of Travel Industry Management at the University of Hawaii. She has considerable experience in the hotel industry and has excelled in senior leadership positions at hotels and resorts across the country. After two decades away from Hawaii, she recently returned to Hawaii to become the General Manager at Turtle Bay Resort where she has already succeeded in creating a more culturally sensitive environment at the hotel and establishing a sense of cultural pride in the hotel staff. Your Committee noted concerns about the nominee's ability to make decisions regarding iwi kupuna if a conflict of interest developed between the Council and her employer. As an interim member of the Council, however, she has proven to be fair and unbiased in her capacity as a large landowner representative and has greatly assisted the Council in navigating difficult issues. As a Native Hawaiian, Ms. Holck appreciates the significance of iwi kupuna and is committed to their respectful treatment.

KALI FERMANTEZ

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources and three individuals. Your Committee received testimony in opposition to this nominee from numerous individuals.

Dr. Fermantez earned his Doctorate of Philosophy in Geography from the University of Hawaii at Manoa with a dissertation titled Re-Placing Hawaiians: Sense of Place and Identity in Wai'anae. He is currently an assistant professor at Brigham Young University in the Hawaiian and Pacific Islands Studies departments. Prior to his current position, he taught at the University of Hawaii at Hilo, University of Hawaii at Manoa, and Honolulu Community College. He is involved in various community organizations, including Ko'olauloa Hawaiian Civic Club, Na Leo Kako'o o Ko'olauloa, Kula Kaiapuni o Hau'ula, and Halau Hula Kukuna O Ka La.

Dr. Fermantez has been serving on the Island Burial Council for the Island of Oahu on an interim basis for the last few months and considers caring for the iwi kupuna a heavy responsibility. He is passionate about finding a balance between traditional culture and the modern context and looks forward to addressing these challenges further on the Council. Dr. Fermantez has dedicated his life's work to the care and perpetuation of Hawaii's culture, people, values, traditions, and history and is uniquely qualified to serve on the Island Burial Council for the Island of Oahu.

As affirmed by the records of votes of the members of your Committee on Tourism and Hawaiian Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

For Gov. Msg. No. 587:

Ayes, 5. Noes, 1 (Hee). Excused, 2 (Shimabukuro, Slom).

For Gov. Msg. No. 588:

Ayes, 6. Noes, none. Excused, 2 (Shimabukuro, Slom).

**SCRep. 1282 (Joint) Health and Technology and the Arts on S.C.R. No. 152**

The purpose and intent of this measure is to designate October 2013 as Brain Injury Awareness Month.

Your Committees received testimony in support of this measure from the Brain Injury Association of Hawaii.

Your Committees find that brain injury is a serious, national public health epidemic affecting 5.3 million Americans, with a person sustaining a brain injury every twenty-one seconds. Each year, at least fifty thousand Americans die and eighty thousand Americans experience the onset of life-long disabilities as a result of sustaining a brain injury. To raise public awareness of this important issue, your Committees recommend the designation of October 2013 as Brain Injury Awareness Month.

Your Committees have amended this measure by:

- (1) Changing the month to be designated as Brain Injury Awareness Month to March and making conforming amendments; and
- (2) Changing the title accordingly.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 152, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 152, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Health

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

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 1283 (Joint) Health and Technology and the Arts on S.R. No. 111**

The purpose and intent of this measure is to designate October 2013 as Brain Injury Awareness Month.

Your Committees received testimony in support of this measure from the Brain Injury Association of Hawaii.

Your Committees find that brain injury is a serious, national public health epidemic affecting 5.3 million Americans, with a person sustaining a brain injury every twenty-one seconds. Each year, at least fifty thousand Americans die and eighty thousand Americans experience the onset of life-long disabilities as a result of sustaining a brain injury. To raise public awareness of this important issue, your Committees recommend the designation of October 2013 as Brain Injury Awareness Month.

Your Committees have amended this measure by:

- (1) Changing the month to be designated as Brain Injury Awareness Month to March and making conforming amendments; and
- (2) Changing the title accordingly.

As affirmed by the records of votes of the members of your Committees on Health and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 111, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 111, S.D. 1.

Signed by the Chairs on behalf of the Committees.

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

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Tokuda, Slom).

**SCRep. 1284 (Joint) Water and Land and Energy and Environment and Public Safety, Intergovernmental and Military Affairs on S.R. No. 136**

The purpose and intent of this measure is to request the President of the Senate to establish a working group to discuss strategies for the development and expansion of geothermal energy and technology.

Your Committees received testimony in support of this measure from Indigenous Consultants, Innovations Development Group, Pacific Resource Partnership, Hawai'i Construction Alliance, Hawaii Masons' Union Local 1 & 630, and three individuals. Your Committees received testimony in opposition to this measure from the Hawaii Island Group of the Sierra Club, Life of the Land, Gaia Yoga Gardens, and numerous individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that Hawaii's natural resources, such as geothermal energy, help reduce the State's dependence on imported oil for its energy needs and make the State more self-sufficient. Geothermal energy in Hawaii has proven to be a reliable, inexhaustible energy source that is nearly emission-free and offers tremendous potential for growth and expansion.

Your Committees further find that the State needs a sound, comprehensive strategy to ensure that geothermal energy is developed in an economically feasible manner that still protects public health, the environment, and cultural rights. A working group is necessary to discuss strategies for the development and expansion of geothermal energy and technology, including geothermal energy and technology development on the island of Hawaii and the development of a geothermal energy and technology park.

Your Committees have amended this measure by:

- (1) Inserting as members of the working group:
  - (A) The Energy Program Administrator of the Hawaii State Energy Office of the Department of Business, Economic Development, and Tourism, who shall serve as Chair of the working group instead of the Chairperson of the Board of Land and Natural Resources;
  - (B) The Director of Health, or the Director's designee;
  - (C) The Director of the Hawaii County Civil Defense, or the Director's designee;
  - (D) A representative of the United States Department of Energy;
  - (E) Two representatives of the geothermal industry, to be selected by the President of the Senate;
  - (F) One member from the affected community in the County of Hawaii, to be selected by the President of the Senate;
  - (G) One representative of the Hawaii Island Labor Alliance; and
  - (H) One representative of the Center for the Study of Active Volcanoes at the University of Hawaii at Hilo, to be selected by the Chancellor of the University of Hawaii at Hilo;
- (2) Deleting as members of the working group a Native Hawaiian cultural expert, a private sector business member, and a community member of the County of Hawaii;



- (3) Adding a request that the President of the Senate make Conference Room 414 in the State Capitol building with its video conferencing capability available to the Geothermal Energy and Technology Working Group to enable Hawaii County members to participate in meetings remotely by video conferencing via computers and web cams; and
- (4) Amending the list of parties to receive certified copies according to the foregoing.

As affirmed by the records of votes of the members of your Committees on Water and Land, Energy and Environment, and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 136, 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. 136, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 4. Noes, 1 (Ruderman). Excused, 2 (Ihara, Shimabukuro).

Energy and Environment

Ayes, 3. Noes, 1 (Ruderman). Excused, 1 (Ihara).

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

**SCRep. 1285 (Joint) Technology and the Arts and Commerce and Consumer Protection on H.B. No. 1287**

The purpose and intent of this measure is to allow businesses to scan an individual's driver's license or identification card to verify age when providing age-restricted goods or services regardless of reasonable doubt of the person being at least eighteen years of age.

Your Committees received testimony in support of this measure from the Liquor Commission, City and County of Honolulu; Hawaii Food Industry Association; and Seven-Eleven Hawaii, Inc. Your Committees received testimony in opposition to this measure from the Department of Commerce and Consumer Affairs and one individual. Your Committees received comments on this measure from the Department of Customer Services, City and County of Honolulu.

Your Committees find that the original intent of section 487J-6(a)(2), Hawaii Revised Statutes, is to permit businesses to scan the identification of individuals purchasing age-restricted goods or services if there is a reasonable doubt that the individual is not the minimum age or older, which may be twenty-one years of age for alcohol and eighteen for various other products. Your Committees further find that the inclusion of the reference in 487J-6(a)(2), Hawaii Revised Statutes, to "eighteen years or older" is intended to not only require a business to scan the identification of an individual purchasing age-restricted goods or services if the business has a reasonable doubt that the individual is of the legal age but also to permit a business to scan the identification card based upon a reasonable doubt that the individual is of an age older than the minimum age for purchasing the age-restricted goods or services. For example, a business selling tobacco products, which is required under Food and Drug Administration regulations to verify age via photographic identification of all purchasers under twenty-seven years of age, may scan the driver's license or identification card of purchasers who appear to be under twenty-seven years of age, rather than only purchasers who appear to be under eighteen years of age.

Your Committees have amended this measure by:

- (1) Retaining the reasonable doubt requirement but clarifying that it is the business that must have the reasonable doubt of the individual having reached the minimum age required for purchasing age-restricted goods or services; 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 Technology and the Arts 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. 1287, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1287, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Technology and the Arts

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

Commerce and Consumer Protection

Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1286 (Joint) Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs on H.B. No. 471**

The purpose and intent of this measure is to reduce the negative impacts of artificial night lighting in the State by extending the existence of the Starlight Reserve Committee for an additional two years from June 30, 2013, to June 30, 2015.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; Starlight Reserve Committee; and one individual.

Your Committees find that the Starlight Reserve Committee was established in 2009 by Act 161, Session Laws of Hawaii 2009, as a temporary advisory committee to assist the Department of Business, Economic Development, and Tourism in developing a statewide starlight reserve strategy and developing legislation to implement the strategy. In 2012, the Starlight Reserve Committee made recommendations to the Legislature, and the Legislature enacted Act 287, Session Laws of Hawaii 2012, which is codified as section 201-8.5, Hawaii Revised Statutes. Section 201-8.5, which is applicable to state agencies, implements a night sky protection strategy containing limitations and requirements related to artificial night lighting.

Your Committees find that with the enactment of Act 287, Session Laws of Hawaii 2012, the temporary Starlight Reserve Committee accomplished much of its mandated duties. The Starlight Reserve Committee and the Department of Business, Economic Development, and Tourism have already had approximately one year to develop administrative rules, and your Committees believe that one additional year should be sufficient for the Starlight Reserve Committee to complete any remaining mandated duties.

Therefore, your Committees have amended this measure by shortening the extension of the Starlight Reserve Committee's existence from a two-year period to a one-year period ending on June 30, 2014.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 471, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 471, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (Thielen).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1287 Human Services on H.B. No. 1207**

The purpose and intent of this measure is to require the Department of Human Services to submit interim reports to the Legislature prior to the Regular Sessions of 2014, 2015, and 2016, and a final report to the Legislature prior to the Regular Session of 2017 on its compliance with the federal Patient Protection and Affordable Care Act of 2010 as it relates to Medicare and Medicaid.

Your Committee received comments on this measure from the Department of Human Services.

Your Committee finds that fraud, abuse, and waste cost state Medicaid programs an estimated \$18,000,000,000 per year on a national level. Problems of fraud, abuse, and waste within Medicaid programs have led to higher costs for each state during the critical time of actuarial rate analysis and the setting of managed care health plan contracts.

Your Committee further finds that the Department of Human Services takes program integrity seriously as well as its responsibility as stewards of taxpayers' monies. Currently, the Department is compliant with federal program integrity requirements.

Your Committee has amended this measure by:

- (1) Deleting language that would have required the Department of Human Services to submit an interim report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (2) Adding language that clarifies that the Department include in its interim reports the Department's timelines and plans for compliance with the federal Patient Protection and Affordable Care Act of 2010 for fiscal years 2013-2014, 2014-2015, and 2015-2016;
- (3) Deleting language that would have required information for fiscal year 2012-2013 to be included in the Department's report;
- (4) Amending the information required in the Department's reports, including the Department's compliance status with various provisions of the federal Patient Protection and Affordable Care Act of 2010;
- (5) Inserting an effective date of July 1, 2050, to encourage 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 Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1207, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1207, 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 (Taniguchi, Slom).

**SCRep. 1288 (Joint) Human Services and Technology and the Arts on H.B. No. 1187**

The purpose and intent of this measure is to designate January as Human Trafficking Awareness Month.

Your Committees received testimony in support of this measure from the Office of Community Services, Hawaii Catholic Conference, Sex Abuse Treatment Center, Hawaii Family Forum, Pacific Alliance to Stop Slavery, IMUAlliance, and one individual. Your Committees received testimony in opposition to this measure from the Hawaii Youth Services Network. Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that thousands of human beings are trafficked into the United States each year to work in the sex trade or as slave labor. These victims of human trafficking need safety and security. Providing these individuals with a safe and nurturing environment is crucial to ensuring their return to society as contributing members.

Your Committees have amended this measure by:

- (1) Adding a new part using language from H.B. No. 874 (Regular Session of 2013), as introduced, which amends the definitions of "child abuse or neglect" under section 350-1, Hawaii Revised Statutes, and "harm" under section 587A-4, Hawaii Revised

Statutes, ensuring that the Department of Human Services provides the necessary services to Hawaii's youth who are victims of sex and labor trafficking; and

- (2) Changing the effective date to July 1, 2013.

As affirmed by the records of votes of the members of your Committees on Human Services and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1187, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1187, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Technology and the Arts

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

**SCRep. 1289 (Joint) Human Services and Technology and the Arts on H.B. No. 530**

The purpose and intent of this measure is to designate November as "Homelessness Awareness Month" to promote public awareness of homelessness as a significant problem.

Your Committees received testimony in support of this measure from Catholic Charities Hawaii, the Hawaii Appleseed Center for Law and Economic Justice, Community Alliance for Mental Health, Papa Ola Lokahi, and three individuals.

Your Committees find that the impact of homelessness is devastating for the individuals and families who struggle to survive without permanent housing. This is a complex problem that requires greater public education to help our community move toward a viable solution. A "Homelessness Awareness Month" will draw attention to this critical issue and promote greater understanding of the challenges and needs of people experiencing homelessness.

As affirmed by the records of votes of the members of your Committees on Human Services and Technology and the Arts that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 530, 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.

Human Services

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

Technology and the Arts

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

**SCRep. 1290 Public Safety, Intergovernmental and Military Affairs on H.B. No. 1203**

The purpose and intent of this measure is to:

- (1) Amend certain eligibility requirements for appointment to Adjutant General by requiring that effective July 1, 2013, and excluding application to the sitting Adjutant General, in order to serve as the Adjutant General, an individual must hold or have held a commission of at least O-5 and served as a commissioned officer in one or more of the Armed Forces of the United States for a total of at least ten years;
- (2) Provide first preference for an Adjutant General appointee who has had at least five years of service as an active commissioned officer in the Hawaii National Guard, whether Army, Air, or both, for eligibility; and
- (3) Provide second preference for an Adjutant General appointee who has served as an active commissioned officer in the National Guard of the Armed Forces of any state or territory of the United States.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii; Hawaii Air National Guard Headquarters, 154th Wing; Office of the Senior Enlisted Leader, Hawaii National Guard; and seven individuals. Your Committee received testimony in opposition to this measure from six individuals.

Your Committee finds that Hawaii does not have substantive qualifying criteria for the Governor to use in the selection of the Adjutant General. Your Committee further finds that the key role the Adjutant General plays in the safety and security of the people of Hawaii warrants this individual to have certain experience. This measure provides qualifying criteria to assist with the selection of the Adjutant General and gives preference to candidates with direct experience in supervising or participating in the various state programs that are under the purview of the Hawaii Department of Defense.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2050, to encourage 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 Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1203, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1203, 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, 1 (Green).

**SCRep. 1291 (Joint) Tourism and Hawaiian Affairs and Judiciary and Labor on H.B. No. 252**

The purpose and intent of this measure is to:

- (1) Require the Native Hawaiian Roll Commission, in cooperation with the Office of Hawaiian Affairs, to submit annual reports to the Governor and the Legislature on the status of the preparation of a roll of qualified Native Hawaiians, expenditures related to the Commission, and any other concerns or recommendations;
- (2) Amend the definition of “qualified Native Hawaiian” to include individuals who meet the ancestry requirements of Kamehameha Schools or of the Hawaiian registry program of the Office of Hawaiian Affairs; and
- (3) Repeal the directive in Act 195, Session Laws of Hawaii 2011, to amend the Hawaiian Homes Commission Act.

Your Committees received testimony in support of this measure from Na Koa Ikaika and one individual. Your Committees received testimony in opposition to this measure from the Native Hawaiian Roll Commission and one individual. Your Committees received comments on this measure from the Office of Hawaiian Affairs, Department of Hawaiian Home Lands, and one individual.

Your Committees find that requiring annual reports from the Native Hawaiian Roll Commission will better inform the Governor and Legislature regarding the status and expenses of the Native Hawaiian registry to facilitate informed decision making. Your Committees note, however, that requiring the Native Hawaiian Roll to be confidential would conflict with the original intent and purpose of the Native Hawaiian Roll Commission. Your Committees also find that additional language should be included in this measure to promote renewable energy in Hawaii.

Accordingly, your Committees have amended this measure by:

- (1) Deleting the requirement that the Native Hawaiian Roll remain confidential;
- (2) Replacing the reference to “the” Hawaiian registry program with “any” Hawaiian registry program of the Office of Hawaiian Affairs as it relates to a qualified Native Hawaiian;
- (3) Inserting language clarifying that all individuals already registered with the State as verified Hawaiians or Native Hawaiians through the Office of Hawaiian Affairs are included in the Native Hawaiian Roll and extending to those individuals all rights and recognitions conferred upon other members of the roll;
- (4) Inserting language to promote renewable energy in Hawaii by:
  - (A) Providing that all penalties, fees, and costs established and collected by the Department of Land and Natural Resources pursuant to chapter 182, Hawaii Revised Statutes, be deposited in the special land and development fund;
  - (B) Including geothermal resources within the definition of a renewable energy producer;
  - (C) Clarifying the permitting procedures for regulators and renewable energy developers considering geothermal development;
  - (D) Requiring the use of an area or site within the conservation district for geothermal resources development to be governed by the Board of Land and Natural Resources;
  - (E) Authorizing certain county authorities to issue geothermal resource permits to allow geothermal resources development in an agricultural, rural, or urban district if the development is not considered a permissible use under the applicable county zoning ordinances or general plan; and
  - (F) Repealing the definition of and references to “reserved lands” in chapter 182, Hawaii Revised Statutes;
- (5) Inserting an effective date of July 1, 2013; 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 Tourism and Hawaiian 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. 252, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 252, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 6. Noes, none. Excused, 2 (Solomon, Slom).

Judiciary and Labor  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1292 (Joint/Majority) Health and Judiciary and Labor on H.B. No. 399**

The purpose and intent of this measure is to:

- (1) Expand Hawaii’s existing sexuality health education law;
- (2) Allow parents and legal guardians to request that their child be excused from any part of sexuality health instruction;
- (3) Require the Department of Education to provide information on the curricula to the public; and

- (4) Require minimum education and training requirements for sexuality health education teachers.

Your Committees received testimony in support of this measure from the Democratic Party of Hawaii, Gay, Lesbian, Bisexual and Transgender Caucus; Youth Services Network; and five individuals. Your Committees received testimony in opposition to this measure from the Department of Education.

Prior to the hearing on this measure, your Committees made available a proposed S.D. 1 for public review and comment. The proposed S.D. 1 amends the measure by deleting its contents and inserting language to:

- (1) Require certain private employers employing fifty or more employees to allow employees to take paid leaves of absence of up to seven days each calendar year for bone marrow or peripheral blood stem cell donation and up to thirty days each calendar year for organ donation, under certain conditions;
- (2) Require employers to restore employees returning from leave for organ, bone marrow, or peripheral blood stem cell donation to the same or equivalent position; and
- (3) Establish a private right of action for employees seeking enforcement of the protections in this measure.

Your Committees received testimony in support of the proposed S.D. 1 from The Queen's Health Systems, United Public Workers, National Kidney Foundation, Hawaii Bone Marrow Donor Registry, Legacy of Life Hawaii, and six individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the Democratic Party of Hawaii, Gay, Lesbian, Bisexual and Transgender Caucus; and The Chamber of Commerce of Hawaii.

Your Committees find that Hawaii has the lowest rate of condom use among teens in the nation. As of 2010, Hawaii also had the seventeenth highest rate of teen pregnancy in the country. Your Committees further find that while the Department of Education has a sexuality health education policy, decisions about its implementation are left to the schools, which results in inconsistent administration and little accountability. Your Committees also find it necessary to require the Department of Education to implement statewide sexuality health education to address the State's high teen pregnancy and low condom usage rates.

Your Committees further find that private employers are not currently required to give employees paid time off for donating organs, bone marrow, or peripheral blood stem cells. Your Committees find that many people in the State who would otherwise donate these vital medical resources delay or altogether refrain from donation because they cannot take time off of work to do so. Your Committees find that legislation requiring employers to allow employees paid time off for organ, bone marrow, and peripheral blood stem cell donation is necessary to provide life-saving medical resources to benefit citizens of the State in medical need.

Your Committees have amended this measure by:

- (1) Retaining, as part I of the measure, all language of the measure except for subsection (f), which would have allowed a student to be excused from any part of sexuality health instruction upon request by a parent or legal guardian;
- (2) Inserting the contents of the proposed S.D. 1 as part II of the 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 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. 399, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 399, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Health

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

Judiciary and Labor

Ayes, 3; Ayes with Reservations (Ihara). Noes, 2 (Gabbard, Slom). Excused, none.

**SCRep. 1293 (Joint) Water and Land and Tourism and Hawaiian Affairs and Judiciary and Labor on H.B. No. 1268**

The purpose and intent of this measure is to expand the eligibility of potential assignees of a homestead lease to include trustees of land trusts created for the purposes of managing and holding a homestead for the benefit of the lessee and lessee's family members.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and one individual. Your Committees received testimony in opposition to this measure from two individuals.

Your Committees find that the 999-year homestead program is becoming increasingly difficult to manage because conflicts often arise between family members who may have an interest in a 999-year lease. Existing leases are unique because they can only be assigned to members of the lessee's family.

Your Committees further find that there are many difficulties associated with the 999-year lease program, which was first implemented during the early years of the Territory of Hawaii. These difficulties have resulted in great hardship for many families, including many painful family battles arising from a complex and problematic successorship. In many cases, loss of the land has been the result. This has impacted not only the families, but also their communities, various government agencies, and others who have been involved in these unfortunate situations. Because the subject properties are often deeply historic properties on which place-based traditions of the area are still practiced, the leaseholds also represent historic and cultural resources that need protection.

Your Committees believe that all state leases should be evaluated and considered for legislation similar to this measure.

Your Committees have amended this measure by:

- (1) Changing the effective date to upon approval; 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 and Land, Tourism and Hawaiian 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. 1268, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1268, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

Tourism and Hawaiian Affairs

Ayes, 8. Noes, none. Excused, none.

Judiciary and Labor

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

**SCRep. 1294 Judiciary and Labor on H.B. No. 235**

The purpose and intent of this measure is to amend the definition of “victim” in section 706-646, Hawaii Revised Statutes, to include any duly incorporated humane society or society for the prevention of cruelty to animals, contracted by a county or the State, that impounds, holds, or receives custody of a pet animal pursuant to sections 711-1109.1, 711-1109.2, and 711-1110.5, Hawaii Revised Statutes, for the purposes of the collection of restitution, except for costs that have already been contracted and provided for by the counties or the State.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Hawaiian Humane Society; The Humane Society of the United States; and ninety-two individuals. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that in a recent decision, the Circuit Court of the First Circuit denied restitution to the Hawaiian Humane Society for their expenses incurred in caring for one hundred fifty-three dogs previously subjected to animal cruelty in the second degree. The court held that the Hawaiian Humane Society was not a government agency or a “direct victim” of the crime committed. Although the Hawaiian Humane Society assumed care of these animals and became the legal owner of all one hundred fifty-three dogs upon forfeiture proceedings, the court held that it was not the “actual owner” and was not entitled to restitution under section 706-646, Hawaii Revised Statutes. This measure provides clear language to allow any duly incorporated humane society contracted with a county or State to receive restitution for expenses incurred when caring for an animal as a result of animal forfeiture or impoundment.

Your Committee has amended this measure by:

- (1) Deleting the language that excludes costs of a duly incorporated humane society or society for the prevention of cruelty to animals that have already been contracted and provided for by the counties or the State from the recovery of victim restitution; and
- (2) Changing the effective date from September 24, 2021, 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. 235, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 235, 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. 1295 (Majority) Judiciary and Labor on H.B. No. 619**

The purpose and intent of this measure is to:

- (1) Amend the Penal Code to establish the offense of feeding a wild or feral bird as a violation for the first offense; and
- (2) Establish that a second or subsequent offense of feeding a wild or feral bird is a petty misdemeanor.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and eleven individuals. Testimony in opposition to this measure was submitted by the Hawaiian Humane Society, Hawaii Island Humane Society, Wild Bird Rehab Haven, and one hundred twelve individuals. One individual submitted comments on this measure.

Prior to the hearing on this measure, your Committee made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and inserting language to:

- (1) Establish odors and filth resulting from the feeding of feral birds as a nuisance, which the Director of Health is authorized to examine and order to be abated, destroyed, removed, or prevented; and
- (2) Allow the public to report a nuisance to the Department of Health.

Your Committee received testimony in support of the proposed S.D. 1 from three individuals. Testimony in opposition to the proposed S.D. 1 was submitted by the Department of Health and Windward Ahupua'a Alliance.

Your Committee finds that the feeding of feral birds poses risks to public health. Individuals testified that the filth and odor left as a result their neighbors feeding birds in their neighborhood whether by hand or the use of birdfeeders have become a daily problem. Furthermore, the feeding of birds can attract rats to the neighborhood, which causes an additional health concern and risk. The

proposed S.D. 1 is intended to mitigate this problem by including the odors and filth resulting from a person feeding feral birds as a nuisance that the Director of Health can order to be abated or prevented.

Your Committee notes the concerns raised by the Department of Health that the proposed S.D. 1 would require additional staffing that the Department has not included in its 2013-2015 Biennium Executive Budget request and therefore may adversely affect the Department's other spending priorities. Furthermore, the Department testified that it lacks standards to determine at what point the odors of filth resulting from a person feeding feral birds becomes injurious to public health. Therefore the Department expressed concerns that the proposed S.D. 1 would be unenforceable. Your Committee further notes the Department's preference to focus its limited resources in areas that are proven to be public concerns, such as controlling the incidence of food borne illness risk factors in food establishments.

However, your Committee believes that the odor and filth that results from the feeding of birds is a health and sanitation concern that is appropriate for the Department of Health to address at this time. Your Committee appreciates the Department's willingness to work with your Committee to develop language or standards to establish the feeding of birds as a nuisance that may be examined and addressed by the Department as this measure moves through the legislative process.

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. 619, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 619, 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). Noes, 1 (Slom). Excused, 1 (Ihara).

#### **SCRep. 1296 Judiciary and Labor on H.B. No. 622**

The purpose and intent of this measure is to amend Act 210, Session Laws of Hawaii 2008 (Act 210), as amended, more commonly known as the shield law, to:

- (1) Expand the exception to the privilege to include cases where there is substantial evidence that the information sought is material to an investigation, prosecution, or defense of a potential felony or serious crime involving the unlawful injury to individuals or animals or to any civil action;
- (2) Clarify that only those individuals who validly invoke the privilege will be shielded from fine or imprisonment; and
- (3) Repeal the sunset date of Act 210, as amended, to make the privilege permanent.

Your Committee received testimony in support of this measure from the Hawaii Shield Law Coalition, Community Alliance on Prisons, Society of Professional Journalists, Hawaii Chapter of the Society of Professional Journalists, All Hawaii News, Big Island Press Club, Honolulu Star-Advertiser, Hawaii Publishers Association, Hawaii Reporter, American Civil Liberties Union of Hawaii, and twenty-eight individuals. Testimony in opposition to this measure was submitted by one individual. The Department of the Attorney General submitted comments on this measure.

Your Committee finds that the shield law provides a limited privilege to journalists and those acting in a similar capacity against compulsory disclosure of confidential sources and unpublished information. The Hawaii Shield Coalition testified that thirty-nine states and the District of Columbia have shield laws, but Hawaii's shield law has been cited as a model for a national shield law due to its clarity and breadth of coverage.

Your Committee notes that a majority of the testimony received in support of this measure suggested adopting the language of this measure as introduced, which only repeals the sunset date of Act 210, as amended, to make the privilege permanent. Act 120, as amended by Act 113, Session Laws of Hawaii 2011 (Act 113), will sunset on June 30, 2013. The Hawaii Shield Coalition testified that pursuant to Act 113, the Judiciary Standing Committee on the Rules of Evidence recommended that the sunset date be eliminated and that Act 210 be integrated in chapter 621, Hawaii Revised Statutes. Accordingly, this measure repeals the sunset date of Act 210, as amended, to make the shield law permanent.

Your Committee further notes the concerns raised in the testimony submitted by the Department of the Attorney General. The Department testified that it does not object to making the shield law permanent only to the extent that the privilege applies to professional journalists and their sources. Beyond that, however, the Department testified that parts of Act 210 are unduly expansive and suggested four specific amendments:

- (1) Omit the provision that extends protections beyond professional journalists to non-traditional journalists and bloggers;
- (2) Add an exception for defendants in criminal cases who have a constitutional right to the information;
- (3) Omit the provision extending the privilege to unpublished information that is not reasonably likely to lead to the identification of the sources; and
- (4) Add definitions for a number of terms describing the scope of the privilege, including "news agency" and "press association".

The Department testified that these suggested amendments would remove potentially problematic aspects of the shield law and further protect confidential sources, which is the primary purpose of the privilege. After the hearing on this measure, your Committee sought input and assistance from the Department of the Attorney General, Judiciary Standing Committee on the Rules of Evidence, and American Civil Liberties Union of Hawaii to develop language to further clarify and strengthen the shield law.

The Hawaii Shield Law Coalition testified that there have been no reported problems with the shield law since its enactment five years ago and that the shield law was tested in court once in a case involving a filmmaker working on a documentary about Native

Hawaiian burial sites. However, your Committee believes that the privilege could still be potentially problematic and that the shield law merits further amendments to enable a judge to determine whether a journalist meets the standards for invoking the privilege.

Accordingly, your Committee has amended this measure by adopting the language developed with the assistance of the Department of the Attorney General and remarks from the Judiciary Standing Committee on the Rules of Evidence and American Civil Liberties Union of Hawaii that:

- (1) Amends section 1 to include language that refers to a United States Supreme Court case that held that the First Amendment of the United State Constitution does not provide members of the press with the right to withhold from a grand jury the names of confidential sources and to reflect the inclusion of additional amendments to Act 210, as amended;
- (2) Clarifies that a journalist or newscaster may invoke the privilege based on previous employment only to the extent that the information was obtained during the period of the journalist's or newscaster's previous employment;
- (3) Deletes language that extends the privilege to unpublished information that is not reasonably likely to lead to the identification of the sources;
- (4) Deletes language that extends protections beyond professional journalists to non-traditional journalists and bloggers;
- (5) Adds an exception for defendants in criminal cases who have a constitutional right to the information;
- (6) Adds definitions of "journalist", "magazine", "news agency", "newscaster", "newspaper", "press association", and "wire service"; and
- (7) 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 622, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 622, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1297 (Majority Judiciary and Labor on H.B. No. 785**

The purpose and intent of this measure is to clarify the reciprocity provision under existing law that allows the service of process issued by another state upon a Hawaii recipient. Specifically, this measure:

- (1) Clarifies that the service of process may be upon a person or business;
- (2) Clarifies that the service of process is for the production of records in the actual or constructive possession of a person or business;
- (3) Requires that the service of process is based upon a pending criminal investigation or prosecution;
- (4) Requires an issuing state to have a statute authorizing the production of records held by an out-of-state person or business; and
- (5) Requires that the service of process issued by or in another state include specified information.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu and Police Department, City and County of Honolulu.

Prior to the hearing on this measure, your Committee made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and inserting language to:

- (1) Require annual reports from the Native Hawaiian Roll Commission on the status of preparation of the roll, expenditures related to the Commission's responsibilities, and any concerns or recommendations of the Commission;
- (2) Amend the definition of "qualified Native Hawaiian" to include individuals who meet certain expanded ancestry requirements;
- (3) Establish that the Native Hawaiian Roll Commission is responsible for including in the roll all individuals already registered as Hawaiians or Native Hawaiians through the Office of Hawaiian Affairs or Department of Hawaiian Home Lands; and
- (4) Repeal the directive under Act 195, Session Laws of Hawaii 2011 (Act 195), to amend the Hawaiian Homes Commission Act to effectuate the purposes of Act 195.

Your Committee received testimony in support of the proposed S.D. 1 from the Office of Hawaiian Affairs and Native Hawaiian Roll Commission. Testimony in opposition to this measure was submitted by Na Koa Ikaika and three individuals. The Department of Hawaiian Home Lands submitted comments on this measure.

Your Committee finds that the purpose of Act 195 was to recognize Native Hawaiians as the only indigenous, aboriginal, maoli people of Hawaii and provide for and implement this recognition by means and methods to facilitate Native Hawaiian self-governance. Act 195 established the Native Hawaiian Roll Commission to be responsible for preparing and maintaining a roll of qualified Native Hawaiians and certifying that the individuals on the roll of qualified Native Hawaiians meet the definition of qualified Native Hawaiian. The proposed S.D. 1 facilitates the process for the Native Hawaiian Roll Commission to prepare the Native Hawaiian roll and certify that individuals meet the definition of qualified Native Hawaiian.

Your Committee has amended this measure by adopting the proposed S.D. 1 and amending it further by:



- (1) Adopting the amendment suggested by the Native Hawaiian Roll Commission and the Office of Hawaiian Affairs to delete the word "confidential" to describe the roll of qualified Native Hawaiians, as keeping the roll confidential would be contrary to the requirement that the Native Hawaiian Roll Commission publish a certified roll of qualified Native Hawaiians;
- (2) Adopting the amendment suggested by the Office of Hawaiian Affairs to clarify that a qualified Native Hawaiian is an individual who meets the ancestry requirements of Kamehameha Schools or any Hawaiian registry program of the Office of Hawaiian Affairs to accurately account for the Office of Hawaiian Affairs' three registry programs; and
- (3) Adopting the amendment suggested by the Department of Hawaiian Home Lands to delete the reference to individuals who are already registered with the Department of Hawaiian Home Lands from being automatically included in the roll to provide the Department's beneficiaries the choice to enroll.

As affirmed by the record of votes of the members 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. 785, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 785, 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 (Ihara). Noes, 1 (Slom). Excused, none.

**SCRep. 1298      Judiciary and Labor on H.B. No. 1132**

The purpose and intent of this measure is to:

- (1) Require state employees specified under section 84-17(c), Hawaii Revised Statutes, except for state legislators, to file a disclosure of financial interest statement with the Hawaii State Ethics Commission between January 1 and May 31 of each year; and
- (2) Require state legislators to file a disclosure of financial interest statement with the Hawaii State Ethics Commission between January 1 and January 31 of each year.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission and Common Cause Hawaii.

Your Committee finds that existing law requires legislators to file annual financial disclosure statements by May 31 of each year, which is after the end of the regular legislative session. The annual financial disclosure statements of legislators are public records and available for inspection and duplication. By amending the filing deadline to January 31, this measure will allow the financial disclosure statements of legislators to be made available to the public earlier in the regular legislative session and allow the public to assess a legislator's actions or positions during the legislative session against the legislator's publicly disclosed financial interests.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1132, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1132, 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. 1299      Judiciary and Labor on H.B. No. 269**

The purpose and intent of this measure is to propose an amendment to article III, section 6, of the Hawaii State Constitution by requiring candidates for the office of State Senate or House of Representatives to be 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, League of Women Voters of Hawaii, and one individual. Testimony in opposition to this measure was submitted by the Libertarian Party of Hawaii. Your Committee received comments on this measure from the Department of the Attorney General and American Civil Liberties Union of Hawaii.

This measure proposes a constitutional amendment to require candidates for the State Senate and State House of Representatives to be residents of the district they intend to represent for not less than twelve consecutive months prior to the next succeeding general election.

Your Committee notes the comments raised in the written testimony submitted by the Department of the Attorney General that this measure does not appear to be unconstitutional on its face. The Department testified that it is unclear why a district resident requirement of one year should be imposed on a candidate and what legitimate state interest or purpose is served by this one year district residency requirement. Furthermore, the Department testified that if a one year district residency requirement should be required of a candidate for a state senate or representative seat, then a residency requirement exception should be afforded to a candidate following reapportionment.

Accordingly, your Committee has amended this measure by adopting the language suggested by the Department of the Attorney General that:

- (1) Requires candidates for the office of State Senate or House of Representatives to remain a qualified voter of the districts from which the candidates seek to be elected for not less than twelve consecutive months prior to the next succeeding general election;
- (2) Deletes the requirement for candidates for the office of State Senate or House of Representatives to be qualified voters of the districts from which the candidates seek to be elected prior to filing nomination papers and thereafter;

- (3) Exempts a qualified voter from the district residency requirement in the year of the first general election following reapportionment but requires the person to reside in a district for not less than one month prior to the deadline for filing nomination papers and thereafter to remain a qualified voter of the district from which the person seeks to be elected;
- (4) Amends the question to be printed on the ballot to reflect the amendments made under section 2; and
- (5) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 269, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 269, 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 (Ihara). Noes, none. Excused, 1 (Slom).

**SCRep. 1300 (Majority) Judiciary and Labor on H.B. No. 32**

The purpose and intent of this measure is to:

- (1) Require the Chief Election Officer to establish procedures to select a letter of the alphabet by lot prior to each election cycle to arrange the last names of candidates on ballots in alphabetical order beginning with the letter of the alphabet selected by lot; and
- (2) Apply this alphabet selection and alphabetical ordering requirement to elections in the next two-year election cycle following the effective date of this measure.

Your Committee received comments on this measure from the Office of Elections, Office of the County Clerk, and League of Women Voters of Hawaii.

Your Committee finds that existing law requires that the names of the candidates be placed upon the ballot for their respective offices in alphabetical order with a few exceptions. The League of Women Voters of Hawaii testified that it is well documented that being listed first on a ballot increases a candidate's total vote count from two to three percentage points depending on the candidate's party affiliation, whether it is a nonpartisan race, or whether it is a primary or general election. This measure proposes to randomly determine the arrangement of names of candidates on a ballot to assist in achieving a more equitable election.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 32, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 32, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1301 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 697**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums and other cost-adjustments for officers and employees of specified legislative agencies.

Your Committees received testimony in support of this measure from the Hawaii State Ethics Commission, Office of the Auditor, Legislative Reference Bureau, and Office of the Ombudsman.

Your Committees find that the legislative service agencies are excluded from collective bargaining, but that compensation and benefits for their officers and employees are tied to the collective bargaining agreements between the public employer and the exclusive representative of applicable collective bargaining units. This measure provides a legislative vehicle in the event that the public employer and the exclusive representative of the applicable collective bargaining units come to an agreement over cost items during the legislative session.

Your Committees have amended this measure by inserting an effective date of July 1, 2050, to encourage 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 H.B. No. 697, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 697, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1302 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 816**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (1) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committees received testimony in support of this measure from the United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committees find that the negotiations for collective bargaining agreements for bargaining unit (1) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committees have amended this measure by:

- (1) Changing the title for program ID BUF 101 from “program planning, analysis, budgeting” to “departmental administration and budget division” to reflect the appropriate program ID title;
- (2) Changing the title for program ID JUD 601 from “administrative director services” to “administration” to reflect the appropriate program ID title;
- (3) Changing the program ID for funds to be appropriated for officers and employees of Hawaii Health Systems Corporation within collective bargaining unit (1) from BUF 101 and HTH 210;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Labor and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 816, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 816, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1303 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 820**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (5) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committees received testimony in support of this measure from the Department of Budget and Finance and Hawaii State Teachers Association.

Your Committees find that the negotiations for collective bargaining agreements for bargaining unit (5) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committees have amended this measure by:

- (1) Changing the title for program ID BUF 101 from “program planning, analysis, budgeting” to “departmental administration and budget division” to reflect the appropriate program ID title;
- (2) Inserting an effective date of 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 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. 820, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 820, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1304 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 822**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (7) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committees received testimony in support of this measure from the Department of Budget and Finance and University of Hawaii System.

Your Committees find that the negotiations for collective bargaining agreements for bargaining unit (7) are currently in progress. This measure provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committees have amended this measure by:

- (1) Changing the title for program ID BUF 101 from “program planning, analysis, budgeting” to “departmental administration and budget division” to reflect the appropriate program ID title;
- (2) Inserting an effective date of 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 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. 822, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 822, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1305 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 1163**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (3) and their excluded counterparts for fiscal biennium 2013-2015.

Prior to the hearing on this measure, your Committees made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and inserting language to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (10) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committees received testimony in support of this measure from the Department of Budget and Finance and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committees find that the negotiations for collective bargaining agreements for bargaining unit (10) are currently in progress. The proposed S.D. 1 provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committees have amended this measure by adopting the proposed S.D. 1 and amending it further by inserting an effective date of July 1, 2050, to encourage 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 H.B. No. 1163, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1163, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1306 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 1164**

The purpose and intent of this measure is to provide a legislative vehicle to appropriate unspecified employer contribution amounts to cover Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for public employees in collective bargaining unit (2) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committees received testimony in support of this measure from the University of Hawaii System.

Prior to the hearing on this measure, your Committees made available a proposed S.D. 1 for review and comment that applies to collective bargaining unit (1) and their excluded counterparts for fiscal biennium 2013-2015. The proposed S.D. 1 amends this measure by making technical amendments, including the insertion of proper program IDs.

Your Committees received testimony in support of the proposed S.D. 1 from the United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committees find that the negotiations for collective bargaining agreements for bargaining unit (1) are currently in progress. The proposed S.D. 1 provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committees have amended this measure by adopting the proposed S.D. 1 and amending it further by inserting an effective date of July 1, 2050, to encourage 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 H.B. No. 1164, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1164, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1307 (Joint/Majority) Judiciary and Labor and Ways and Means on H.B. No. 1166**

The purpose and intent of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (3) and their excluded counterparts for fiscal biennium 2013-2015.

Prior to the hearing on this measure, your Committees made available a proposed S.D. 1 for review and comment. The proposed S.D. 1 amends this measure by deleting its contents and inserting language to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustment and other cost adjustments for public employees in collective bargaining unit (10) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committees received testimony in support of this measure from the University of Hawaii System and United Public Workers, AFSCME Local 646, AFL-CIO.

Your Committees find that the negotiations for collective bargaining agreements for bargaining unit (10) are currently in progress. The proposed S.D. 1 provides a legislative vehicle that can be used if an agreement is reached or an arbitration award is issued prior to the end of the 2013 Regular Session.

Your Committees have amended this measure by adopting the proposed S.D. 1 and amending it further by:

- (1) Inserting an effective date of July 1, 2050, to encourage 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 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. 1166, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1166, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Ways and Means

Ayes, 11. Noes, 1 (Slom). Excused, 1 (Thielen).

**SCRep. 1308 (Majority) Ways and Means on H.B. No. 680**

The purpose and intent of this measure is to impose a conveyance tax on the transfer or conveyance of a controlling interest of an entity with an interest in real property in the State.

Prior to the public hearing on this measure, your Committee circulated for review and comment a proposed S.D. 1.

The proposed S.D. 1 replaced the contents of the measure with provisions that, after June 30, 2014:

- (1) Impose the conveyance tax on every conveyance of an interest in real property;
- (2) Define the terms "consideration," "conveyance," "grantee," "grantor," "interest in real property," and "real property";
- (3) Define and discuss the application of the term "controlling interest";
- (4) Provide that certain conveyances shall be taxed at the lowest tax rate;
- (5) Prohibit the disclosure of a certificate of conveyance;
- (6) Provide that the computation of the conveyance tax shall conform to the United States Constitution;
- (7) Provide that the amount of the conveyance tax shall be based upon the amount of consideration paid, rather than the value of the property;
- (8) Provide that a conveyance that effectuates a mere change of identity or form of ownership or organization shall be exempt from the conveyance tax;
- (9) Provide that, if a grantor fails to pay the conveyance tax or is exempt from the conveyance tax, the grantee shall pay the conveyance tax;
- (10) Establish a presumption that all conveyances are taxable and that the value of property conveyed as consideration is determined by fair market value;
- (11) Provide that the imprinting of a seal shall not be necessary for a conveyance where no instrument evidencing the conveyance is recorded or filed with the registrar of conveyances or the assistant registrar of the land court;
- (12) Require the grantor and the grantee to file a certificate of conveyance;

- (13) Require the filing of an exemption certificate under certain circumstances; and
- (14) Provide that, under certain conditions, a certificate may be accepted even if not signed by all the grantors or all the grantees.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Hawaii Appleseed Center for Law and Economic Justice.

Your Committee received testimony in opposition to this measure from the Land Use Research Foundation of Hawaii, NAIOP Hawaii, and a private individual.

Your Committee received comments on this measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that certain transfers of entity ownership are essentially equivalent to the sale of an interest in real property. Your Committee also finds that the proposed S.D. 1 applies the conveyance tax to these conveyances in a more in-depth manner than the original measure.

Your Committee has amended the measure by deleting its contents and inserting those of the proposed S.D. 1 and has further amended the measure by:

- (1) Providing that the lowest tax rate shall apply to any document or instrument conveying real property, or any interest therein, to or from a wholly owned corporation or limited liability company;
- (2) Exempting from the conveyance tax, and requiring an exemption certificate to be filed for, the following conveyances:
  - (A) Any conveyance from a limited partner to a general partner of a limited partnership that owns an affordable rental housing project for which low-income housing tax credits have been issued under section 235-110.8 or 241-4.7, Hawaii Revised Statutes, or section 42 of the Internal Revenue Code of 1986, as amended; and
  - (B) Any conveyance that consists solely of a change in controlling interest in an entity holding an interest in realty between persons with ownership interests in the entity for a minimum of three years immediately preceding the transfer;
- (3) Replacing the term “real estate transfer tax” with “conveyance tax”;
- (4) Clarifying that certificates of conveyance may be disclosed to county officials for official county business purposes, including real property tax assessment;
- (5) Removing substantive provisions regarding the basis and rate of the conveyance tax from the definition of the term “consideration,” and leaving them more appropriately in section 247-2, Hawaii Revised Statutes;
- (6) Clarifying that the exemption for a transfer or acquisition made pursuant to a binding written contract shall apply to binding written contracts entered into prior to July 1, 2014;
- (7) Replacing certain instances of the term “value of the real property” with “amount of consideration” and making conforming amendments to further clarify that the amount of the conveyance tax is based on the amount of consideration, rather than the value of real property;
- (8) Clarifying that the presumption that all conveyances are taxable and that the value of property conveyed as consideration is determined by fair market value shall prevail until disproven;
- (9) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; 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 H.B. No. 680, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 680, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Kouchi). Noes, 1 (Slom). Excused, 1 (English).

#### **SCRep. 1309 Ways and Means on H.B. No. 51**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds to finance project appropriations authorized by the Legislature.

In addition, this measure makes a declaration of findings, as required by article VII, section 13, of the state constitution, that the total amount of principal and interest estimated for such general obligation bonds and for all bonds authorized and unissued, and calculated for all bonds issued and outstanding, will not cause the state debt limit to be exceeded at the time of issuance.

Your Committee received testimony in support of this measure from the Department of Budget and Finance.

Your Committee finds that the capital improvement projects financed by the general obligation bonds authorized under this measure will assist the State in promoting the general welfare of the community.

Your Committee has amended this measure by:

- (1) Updating references to fiscal years, act years, report dates, and appropriation act titles;
- (2) Deleting unnecessary references to supplemental appropriation acts; 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. 51, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 51, 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, none.

**SCRep. 1310 Ways and Means on H.B. No. 694**

The purpose and intent of this measure is to make adjustments to the state income tax law.

More specifically, this measure:

- (1) Repeals the temporary increase in income tax rates established by Act 60, Session Laws of Hawaii 2009, one year ahead of schedule by changing the sunset date of the increased tax rates from December 31, 2015, to December 31, 2014; and
- (2) Changes income tax rates for taxable years beginning after December 31, 2014.

Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that this measure requires further consideration, given future budgetary needs.

Your Committee has amended this measure by:

- (1) Accurately reflecting the amendments made to the text of Act 60, Session Laws of Hawaii 2009, by Act 97, Session Laws of Hawaii 2011; and
- (2) Clarifying that amendments made to section 235-51(a), (b), and (c), Hawaii Revised Statutes, by this measure shall not be repealed when that section is reenacted on December 31, 2014.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 694, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 694, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1311 (Joint) Public Safety, Intergovernmental and Military Affairs and Ways and Means on H.B. No. 763**

The purpose and intent of this measure is to streamline processes associated with the State Building Code Council by:

- (1) Amending the membership of the State Building Code Council to include a member of the Department of Business, Economic Development, and Tourism and representatives of the construction industry and to remove the Comptroller;
- (2) Amending the Council's procedures for determining amendments to the State Building Code through the adoption of various codes and standards;
- (3) Removing the authority of the Council to appoint a subcommittee of members representing county building officials to recommend amendments to model codes and standards;
- (4) Requiring the Council to disseminate, at least every two years, an itemized report of substantially uniform code amendments adopted by at least three counties; and
- (5) Making revisions to the State Building Code and its implementation.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Labor and Industrial Relations; Plumbing and Mechanical Contractors Association of Hawaii; American Institute of Architects; Building Industry Association of Hawaii; General Contractors Association of Hawaii; Structural Engineers Association of Hawaii; Architectural Diagnostics Ltd.; and The Pacific Resource Partnership. Your Committees received testimony in opposition to this measure from the American Chemistry Council. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that the current composition of the State Building Code Council includes the Comptroller, four county building officials and representatives from the State Fire Council, Department of Health, Department of Labor and Industrial Relations, American Institute of Architects, and Structural Engineers Association of Hawaii. Your Committees find that representatives from the construction industry should be included on the Council because they will provide valuable input regarding the impacts of code changes on construction practice, costs, and whether materials to meet the new requirements are available in Hawaii.

Your Committees have amended this measure by:

- (1) Reinstating the Comptroller or the Comptroller's designee as the nonvoting member on the State Building Code Council;
- (2) Removing representatives from the Department of Health and Hawaii Construction Alliance as members of the Council;
- (3) Permitting one individual from either the Building Industry Association of Hawaii or the General Contractors Association of Hawaii to sit on the Council, rather than one individual from each association;
- (4) Requiring any Council members representing the Building Industry Association of Hawaii, General Contractors Association of Hawaii, and Subcontractors Association of Hawaii to have significant experience with building codes;
- (5) Raising the Council's quorum to seven voting members, rather than six voting members;

- (6) Reinstating the authority of the Council to appoint the subcommittee of county building officials, whose unanimous agreement is required for any recommended state amendments;
- (7) Requiring any recommended staggering of code and standard adoptions to be based on a review and evaluation of the utility of each model code identified in section 107-25, Hawaii Revised Statutes, when each edition is published;
- (8) Requiring compliance with the State Building Code for the design of all state building construction within one year of the adoption of substantially uniform code amendments by at least three counties, rather than within one year of the effective date of administrative rules;
- (9) Reinstating the compliance exemptions for county codes that have not adopted the State Building Code, county code amendments that are contrary to code amendments adopted by another county, and county codes allowing the exercise of indigenous Hawaiian architecture adopted in accordance with section 46-1.55, Hawaii Revised Statutes;
- (10) Inserting language authorizing the Hawaii hurricane relief fund to provide funding for the State Building Code Council for activities that are a part of a loss reduction plan that complies with the development of loss mitigation standards in accordance with section 431P-12, Hawaii Revised Statutes;
- (11) Inserting an appropriation to support the State Building Code Council's efforts to adopt a uniform set of statewide building codes and consistent standards;
- (12) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (13) 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, Intergovernmental and Military Affairs and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 763, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 763, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 4. Noes, none. Excused, 1 (Green).

Ways and Means  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1312 (Joint) Public Safety, Intergovernmental and Military Affairs and Health and Human Services on S.C.R. No. 193**

The purpose and intent of this measure is to create a two-year pilot program for medical or compassionate release of certain ill, disabled, and geriatric inmates who pose a low risk to public safety.

Your Committees received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and two individuals.

Your Committees find that due to lengthy prison sentences and an aging population, correctional facilities are housing a growing number of elderly inmates who often have extensive medical needs. Your Committees further find that keeping inmates with debilitating diseases incarcerated is costly to the State and creates hardships for the inmates' families. This measure encourages the Department of Public Safety and Hawaii Paroling Authority to initiate a compassionate release program to support the growing number of ill, disabled, and geriatric inmates.

Your Committees have amended this measure by:

- (1) Extending the timeframe of the pilot program to three years, rather than two years, and delaying the reporting deadline by one year;
- (2) Amending the title accordingly to reflect the three-year timeframe of the pilot program; 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, Intergovernmental and Military Affairs, Health, and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 193, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 193, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Health  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).



**SCRep. 1313 (Joint) Public Safety, Intergovernmental and Military Affairs and Health and Human Services on S.R. No. 147**

The purpose and intent of this measure is to create a two-year pilot program for medical or compassionate release of certain ill, disabled, and geriatric inmates who pose a low risk to public safety.

Your Committees received testimony in support of this measure from the Department of Public Safety, Community Alliance on Prisons, and two individuals.

Your Committees find that due to lengthy prison sentences and an aging population, correctional facilities are housing a growing number of elderly inmates who often have extensive medical needs. Your Committees further find that keeping inmates with debilitating diseases incarcerated is costly to the State and creates hardships for the inmates' families. This measure encourages the Department of Public Safety and Hawaii Paroling Authority to initiate a compassionate release program to support the growing number of ill, disabled, and geriatric inmates.

Your Committees have amended this measure by:

- (1) Extending the timeframe of the pilot program to three years, rather than two years, and delaying the reporting deadline by one year;
- (2) Amending the title accordingly to reflect the three-year timeframe of the pilot program; 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, Intergovernmental and Military Affairs, Health, and Human Services that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 147, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 147, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Health  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Nishihara).

Human Services  
Ayes, 3. Noes, none. Excused, 2 (Green, Taniguchi).

**SCRep. 1314 (Joint) Human Services and Technology and the Arts on S.C.R. No. 185**

The purpose and intent of this measure is to designate October 2 of each year as the "International Day of Non-Violence" in Hawaii in honor of Mahatma Gandhi on his birth date.

Your Committees received testimony in support of this measure from nine individuals.

Your Committees find that Mahatma Gandhi believed that the way to resolve conflict is with non-violence. He urged humankind to make the herculean effort to raise themselves to the next level of human development by embracing and practicing non-violence. Observation of an international day of non-violence in Hawaii on the birth date of Mahatma Gandhi on October 2 acknowledges the great works of one of mankind's greatest peace advocates.

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 Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 185, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 185, S.D. 1.

Signed by the Chairs on behalf of the Committees.

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

Technology and the Arts  
Ayes, 4. Noes, none. Excused, 1 (Tokuda).

**SCRep. 1315 (Joint) Human Services and Technology and the Arts on S.R. No. 141**

The purpose and intent of this measure is to designate October 2 of each year as the "International Day of Non-Violence" in Hawaii in honor of Mahatma Gandhi on his birth date.

Your Committees received testimony in support of this measure from nine individuals.

Your Committees find that Mahatma Gandhi believed that the way to resolve conflict is with non-violence. He urged humankind to make the herculean effort to raise themselves to the next level of human development by embracing and practicing non-violence. Observation of an international day of non-violence in Hawaii on the birth date of Mahatma Gandhi on October 2 acknowledges the great works of one of mankind's greatest peace advocates.

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 Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 141, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 141, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Technology and the Arts

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

**SCRep. 1316 (Joint) Public Safety, Intergovernmental and Military Affairs and Water and Land and Economic Development, Government Operations and Housing on S.C.R. No. 163**

The purpose and intent of this measure is to urge the City and County of Honolulu Department of Parks and Recreation to reconsider its denial to permit recreational horseback riding on Waikane Trail.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that the City and County of Honolulu Department of Parks and Recreation recently denied the request of John and Loretta Kilbey to ride their horses on the Waikane Valley Nature Preserve. Your Committees further find that the Kilbeys have enjoyed riding their horses on this nature preserve, which is located adjacent to their property, since 1980.

Your Committees urge the State and City and County of Honolulu to examine liability and insurance issues related to this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs, Water and Land, and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 163 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Shimabukuro).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 1317 (Joint) Public Safety, Intergovernmental and Military Affairs and Water and Land and Economic Development, Government Operations and Housing on S.R. No. 120**

The purpose and intent of this measure is to urge the City and County of Honolulu Department of Parks and Recreation to reconsider its denial to permit recreational horseback riding on Waikane Trail.

Your Committees received testimony in support of this measure from one individual.

Your Committees find that the City and County of Honolulu Department of Parks and Recreation recently denied the request of John and Loretta Kilbey to ride their horses on the Waikane Valley Nature Preserve. Your Committees further find that the Kilbeys have enjoyed riding their horses on this nature preserve, which is located adjacent to their property, since 1980.

Your Committees urge the State and City and County of Honolulu to examine liability and insurance issues related to this measure.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs, Water and Land, and Economic Development, Government Operations and Housing that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 120 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Water and Land

Ayes, 5. Noes, none. Excused, 2 (Ihara, Shimabukuro).

Economic Development, Government Operations and Housing

Ayes, 5. Noes, none. Excused, 2 (English, Wakai).

**SCRep. 1318 Water and Land on Gov. Msg. Nos. 690 and 691**

Recommending that the Senate advise and consent to the nominations of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 690 CARL CHRISTENSEN, for a term to expire 6-30-2017; and

G.M. No. 691 JOHN SINTON, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Carl Christensen and John Sinton to possess the requisite qualifications to be nominated to the Natural Area Reserves System Commission.

CARL CHRISTENSEN

Your Committee received testimony in support of the nomination of Carl Christensen from the Department of Land and Natural Resources, Dean of the William S. Richardson School of Law, and seven individuals.

Carl Christensen is a graduate of the Northwestern School of Law of Lewis and Clark College, where he received a Master in Laws degree in environmental law. He received a Juris Doctorate (cum laude) from Harvard Law School, and a Doctorate of Philosophy in zoology from the University of Arizona. Mr. Christensen is currently a Legislative Researcher for the Hawaii State Senate Committee on Judiciary and Labor. He served previously as a law clerk for the Sierra Club Legal Defense Fund in Honolulu and as a law clerk for the Native Hawaiian Legal Corporation. Mr. Christensen also served as a staff attorney for the Native Hawaiian Legal Corporation for ten years. He has written extensively in professional journals concerning conservation issues.

JOHN SINTON

Your Committee received testimony in support of the nomination of John Sinton from the Department of Land and Natural Resources and three individuals.

John Sinton is a Professor in the Department of Geology and Geophysics of the University of Hawaii. He received a Bachelor's degree in Geology from the University of California at Santa Barbara; a Master's degree in Geology from the University of Oregon; and a Doctorate of Philosophy in Geology from the University of Otago, Dunedin, New Zealand. Dr. Sinton's professional expertise is in igneous petrology, volcanology, Hawaiian geology, marine geology, geochemistry of volcanic materials used in Polynesian tool making, and geochemical analysis using X-ray fluorescence.

As affirmed by the records of votes of the members of your Committee on Water and Land 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 (Dela Cruz).

**SCRep. 1319 Water and Land on Gov. Msg. Nos. 692 and 693**

Recommending that the Senate advise and consent to the nominations of the following:

KAHO'OLAWE ISLAND RESERVE COMMISSION

G.M. No. 692 CHRISTOPHER BAKER, for a term to expire 6-30-2017; and

G.M. No. 693 AMBER WHITEHEAD, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Christopher Baker and Amber Whitehead to possess the requisite qualifications to be nominated to the Kaho'olawe Island Reserve Commission.

CHRISTOPHER BAKER

Your Committee received testimony in support of the nomination of Christopher Baker from the Kaho'olawe Island Reserve Commission, Protect Kaho'olawe 'Ohana, Hawai'i Inuiakea School of Hawaiian Knowledge at the University of Hawaii, and twenty-two individuals.

Christopher Baker is a Doctorate of Philosophy candidate in Linguistics at the University of Hawai'i at Manoa. He received a Masters of Arts degree in linguistics from the University of Hawaii at Manoa and a Bachelor of Arts degree in Hawaiian Language from the University of Hawaii at Manoa. He has been teaching Hawaiian language courses at the University of Hawaii at Manoa since 1996.

As noted in testimony, Mr. Baker brings to the Commission expertise in Hawaiian language and cultural traditions, as he is a noted Hawaiian language playwright and lead cultural practitioner for the makahiki ceremony on Kaho'olawe.

AMBER WHITEHEAD

Your Committee received testimony in support of the nomination of Amber Whitehead from the Kaho'olawe Island Reserve Commission, Protect Kaho'olawe 'Ohana, and twenty-one individuals.

Amber Whitehead will receive a Doctor of Philosophy degree from the University of Hawaii at Manoa Botany Department with a specialization in Ecology, Evolution and Conservation Biology. She received Bachelor of Arts degrees in Botany and Hawaiian Studies from the University of Hawaii at Manoa. Ms. Whitehead received an Environmental Protection Agency Graduate Fellowship as well as a Native Hawaiian Leadership Project Scholarship and worked with the Environmental Protection Agency's Greater Research Opportunities Program from 2003 to 2005. From 2004 to the present, she has worked as an Ecologist with the Kamehameha Schools, Land Assets Division.

Your Committee notes the following excerpt from the nominee's personal statement, "I have always had a strong passion and love for land, water, native species, and native ecosystems. I was born and raised in Pāpā, South Kona to a family with a long history of living close to the land. We subsist till today on rainwater caught from the sky, raise much of our own food, and value our intimate relationship with and knowledge of the biological resources, landforms, and weather patterns of our home."

As affirmed by the records of votes of the members of your Committee on Water and Land 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.

For Gov. Msg. No. 692:  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ihara).

For Gov. Msg. No. 693:  
Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

**SCRep. 1320      Judiciary and Labor on Gov. Msg. No. 648**

Recommending that the Senate advise and consent to the nomination of the following:

COMMISSION TO PROMOTE UNIFORM LEGISLATION

G.M. No. 648    LANI EWART, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lani Ewart to possess the requisite qualifications to be nominated to serve on the Commission to Promote Uniform Legislation.

Your Committee received testimony in support of the nomination of Lani Ewart from the Department of the Attorney General and four individuals.

Ms. Ewart earned her Bachelor of Arts degree in History from the University of Hawaii at Manoa and graduated with highest honors. She received her Doctorate of Jurisprudence from Boalt Hall School of Law, University of California at Berkeley. She is licensed to practice law in Hawaii and is admitted to practice law in California as an inactive member of the California Bar Association.

Ms. Ewart is a Partner at Goodwill Anderson Quinn & Stifel LLP, where she concentrates her practice in the area of financing, particularly in real estate secured lending, and represents lenders and borrowers in a variety of financial transactions involving term loans and revolving lines of credit. She also handles general real estate matters, including acquisitions, leases, and sales of commercial properties. She also serves as a member of various nonprofit organizations, including the Honolulu Zoo Society, Honolulu Aquarium, Diamond Head Theatre, Manoa Valley Theatre, Hawaii Theatre, Hawaii Public Radio, PBS Hawaii, Honolulu Museum of Arts, Bishop Museum, Friends of Honolulu Botanical Gardens, Hawaiian Historical Society, and Historic Hawaii Foundation.

Ms. Ewart is nominated for reappointment to the Commission to Promote Uniform Legislation and currently serves as the Chairperson of the Commission. Testimony in support of her nomination indicates that she has been a hard working, conscientious, and dedicated member during her entire tenure. She has previously served on the Executive Committee of the Uniform Law Commission, also known as the National Conference of Commissioners on Uniform State Laws, thereby raising the profile and stature of the Hawaii delegation. She has participated in drafting committees that draft proposed uniform laws for approval by the National Conference and later by the states. She has acted as a liaison between the National Conference and local interest groups and provides testimony to the Legislature on uniform laws that are being considered for enactment.

In recognition of her dedicated service to the promotion of uniform laws, Ms. Ewart was elected in 1998 to Life Membership in the National Conference. To become a Life Member, a commissioner must serve the National Conference in the voluntary drafting and review of uniform laws for at least twenty years, be recommended by the National Conference's Executive Committee, and be elected by an affirmative vote of two-thirds of the commissioners present and voting at the session at which the recommendation is made. She was the first female commissioner to be elected to Life Membership in the 106-year history of the National Conference.

Accordingly, based on the testimony submitted, your Committee finds that Lani Ewart is exceptionally qualified to continue to serve on the Commission to Promote Uniform Legislation. The nominee's professional experience will serve the Commission and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1321      (Joint) Commerce and Consumer Protection and Judiciary and Labor on H.B. No. 635**

The purpose and intent of this measure is to expedite the approval process for broadband-related permits while maintaining utility pole public safety standards by:

- (1) Requiring the State and the counties to approve, approve with modification, or disapprove all broadband-related permits within specified timeframes;
- (2) Specifying that applicants shall comply with all applicable safety and engineering requirements relating to broadband-related infrastructure; and
- (3) Ensuring that the Federal Communications Commission and the Public Utilities Commission have authority over utility pole weight capacity limits.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Public Utilities Commission; Hawaiian Electric Company, Inc.; Hawaiian Telcom; TW Telecom Inc.; and Oceanic Time Warner Cable.

Your Committees find that increased broadband capacity is critical for businesses and the growth of Hawaii's economy. This measure streamlines the current permit review process, which will encourage the timely deployment of advanced broadband services throughout the State. This measure also acknowledges that applicants for broadband-related permits must comply with safety and engineering requirements for utility poles and associated equipment that are affected by broadband-related installations and actions.

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. 635, H.D. 2, S.D. 1, and recommend that it pass Third Reading.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Wakai).

Judiciary and Labor  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1322 Judiciary and Labor on H.B. No. 791**

The purpose and intent of this measure is to clearly provide that directors of nonprofit corporations shall have access to the books and records of the corporations to the extent reasonably related to their duties.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Hawai'i Alliance of Nonprofit Organizations, and one individual.

Your Committee finds that at common law, directors of corporations have an absolute right of access to corporate records. Although sections of the Hawaii Revised Statutes create a judicially enforceable right for members of membership-based nonprofit corporations to inspect the books and records of the corporation, there is no comparable statutory provision that a director shall have the same reasonable access. This measure authorizes directors of nonprofit corporations to have access to corporate records for proper purposes, ensures meaningful self regulation by directors of nonprofit corporations, and allows directors to adhere to their statutory duty of 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 H.B. No. 791, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1323 Judiciary and Labor on H.B. No. 944**

The purpose and intent of this measure is to:

- (1) Update chapter 329, Hawaii Revised Statutes, to make it consistent with amendments in federal law on controlled substances;
- (2) Amend section 329-14, Hawaii Revised Statutes, to add new controlled substances emergency scheduled by the State pursuant to section 329-11, Hawaii Revised Statutes; and
- (3) Amend section 329-75(h), Hawaii Revised Statutes, to limit the penalty to violations of section 329-75(g), Hawaii Revised Statutes, relating to pseudoephedrine.

Your Committee received testimony in support of this measure from the Department of Public Safety and Police Department, City and County of Honolulu.

Your Committee finds that due to the growing problem of synthetic hallucinogenic substances being developed for sale to the public as "herbal incense" or "bath salts" in the State, the Department of Public Safety's Narcotics Enforcement Division, as well as the federal Drug Enforcement Administration, have attempted to protect the public by placing in schedule the ever-increasing number of synthetic cannabinoids and cathinones labeled as "not for human consumption" but sold in retail shops with the promise of powerful hallucinogenic legal highs. Last year, state and county law enforcement began discovering a new synthetic cannabinoid being sold throughout the State, UR-144 Tetramethylcyclopropanoylindole, which this measure adds to section 329-14, Hawaii Revised Statutes. This measure also amends section 329-75(h), Hawaii Revised Statutes, to limit the class C felony offense currently assigned to penalties of section 329-75(b) to (f), Hawaii Revised Statutes, which are administrative program requirements, to the purchase, receipt, or acquisition of products containing certain amounts of pseudoephedrine. Your Committee further finds that these updates to Hawaii's Uniform Controlled Substances Act are in the interest of public health and safety.

As affirmed by the record of votes of the members 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. 944, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1324 (Majority) Judiciary and Labor on H.B. No. 411**

The purpose and intent of this measure is to ensure that sexual assault victims are provided information about and access to emergency contraception when receiving emergency medical care at Hawaii's hospitals.

Your Committee received testimony in support of this measure from the Department of Human Services; Department of Health; Hawaii State Commission on the Status of Women; Department of the Prosecuting Attorney, City and County of Honolulu; Mental Health America of Hawai'i; Hawaii Medical Association; Community Alliance of Prisons; Democratic Party of Hawai'i Women's Caucus; Healthy Mothers Healthy Babies Coalition of Hawaii; Zonta Club of Hilo; Domestic Violence Action Center; The Sex Abuse Treatment Center; American Academy of Pediatrics, Hawaii Chapter; Healthcare Association of Hawaii; Kaiser Permanente Hawaii; American Civil Liberties Union of Hawai'i; IMUAlliance; Planned Parenthood of Hawaii; American Congress of Obstetricians and Gynecologists, Hawaii Section; Hawai'i Women Lawyers; Hawaii Women's Coalition; League of Women Voters of Hawaii; and one hundred fifty-three individuals. Testimony in opposition to this measure was submitted by Pro-Family Hawaii, Hawaii Family Forum,

Hawaii Catholic Conference, St. Francis Healthcare System of Hawaii, and eight individuals. One individual submitted comments on this measure.

Your Committee finds that, according to a report prepared by the Department of the Attorney General, there were three hundred fifty-three reported cases of forcible rape in Hawaii in 2011. Furthermore, according to the United States Department of Justice, over half of all rapes are not reported to the police. There are an estimated thirty-two thousand rape-related pregnancies every year in the United States.

Your Committee further finds that emergency contraception is a safe and effective means of preventing pregnancy after sexual assault. Providing information about and access to emergency contraception is the most widely recognized and accepted standard of care for sexual assault victims. Therefore, your Committee finds it appropriate to require all hospitals in Hawaii to provide information about and access to all victims of sexual assault who present themselves for emergency medical treatment at Hawaii's hospitals.

As affirmed by the record of votes of the members 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. 411, H.D. 2, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, 2 (Gabbard, Slom). Excused, none.

**SCRep. 1325 Judiciary and Labor on H.B. No. 847**

The purpose and intent of this measure is to:

- (1) Authorize the Hawaii Medical Board to summarily suspend a license and order a licensee to submit to a physical and mental examination under specific circumstances;
- (2) Establish procedures for summary suspension orders, hearings, and appeals;
- (3) Establish penalties for any attempt by a licensee to continue the practice of medicine or for the practice of medicine by a licensee while the licensee's license has been summarily suspended; and
- (4) Specify immunities for licensees who provide certain information to the Hawaii Medical Board.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, Hawaii Medical Board, Hawaii Medical Service Association, and Hawaii Medical Association.

Your Committee finds that the Hawaii Medical Board and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs have implemented a number of initiatives to improve investigation and handling of complaints against physicians and enhance protection of the State's healthcare consumers. One such consumer protection proceeding is the ability for a licensing authority to summarily suspend a professional license. This measure tailors the process for summary suspension to more appropriately address proceedings for physician licensees, ensures fairness to licensees by providing an appropriate means to appeal the Hawaii Medical Board action, and provides immunity for certain situations when a licensee comes forward with information indicating a fellow licensee may be guilty of unprofessional conduct or may be impaired.

As affirmed by the record of votes of the members 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. 847, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1326 Judiciary and Labor on H.B. No. 877**

The purpose and intent of this measure is to allow the Directors of Commerce and Consumer Affairs, Health, Human Services, and Labor and Industrial Relations to delegate voting authority to their designees for a specified meeting or meetings of the Hawaii Health Insurance Exchange.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, Department of Commerce and Consumer Affairs, Department of Health, and Department of Human Services.

Your Committee finds that because the Hawaii Health Insurance Exchange, also known as the Hawaii Health Connector, was established as a Hawaii nonprofit corporation, more specific language is required regarding designees for the directors of state agencies who serve as ex-officio voting members of the Board of Directors of the Hawaii Health Connector. This measure provides the necessary flexibility for the directors of state agencies to voice their votes through their designees when they are unable to attend meetings of the Board of Directors, ensures that a voting quorum can be met, and facilitates the timely development and implementation of the Hawaii Health Insurance Exchange.

As affirmed by the record of votes of the members 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. 877, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1327 Judiciary and Labor on H.B. No. 998**

The purpose and intent of this measure is to permanently prohibit private transfer fees by eliminating the sunset 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 if left unregulated, private transfer fees may be misused or 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 2011, thirty-six states had 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 appropriate.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 998, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

**SCRep. 1328 Ways and Means on H.B. No. 696**

The purpose of this measure is to provide financial support for neighbor island residents who hold the position of Lieutenant Governor.

Specifically, this measure authorizes an allowance to cover the personal expenses of a Lieutenant Governor whose legal residence is on an island other than Oahu.

Your Committee received written comments in support of this measure from the Office of the Governor and four individuals.

Your Committee finds that work demands often require the Lieutenant Governor to spend extended periods of time at the State Capitol and other locations on the island of Oahu. These duties pose unique financial challenges for officeholders whose legal residence is not on Oahu. This measure promotes fairness by mitigating the financial hardship that could otherwise deter anyone whose island of residence is other than Oahu from serving as Lieutenant Governor.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 696, H.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (Dela Cruz, English).

**SCRep. 1329 (Majority) Ways and Means on H.B. No. 1328**

The purpose and intent of this measure is to help the Kaho'olawe Island Reserve Commission fulfill its statutory mission.

More specifically, this measure makes permanent the exemption from chapter 103D, Hawaii Revised Statutes, relating to the Procurement Code, granted by Act 159, Session Laws of Hawaii 2010, for the procurement of food or fuel products necessary to carry out the purposes of chapter 6K, Hawaii Revised Statutes, relating to the Kaho'olawe Island Reserve.

Your Committee received written comments in opposition to this measure from the State Procurement Office.

Your Committee finds that the Kaho'olawe Island Reserve Commission faces unique challenges in carrying out its statutory mandate to preserve and protect the Kaho'olawe Island Reserve, including acquiring and transporting cargo, food, and fuel to the island. Your Committee finds that the additional flexibility provided by this measure is necessary and appropriate for the Kaho'olawe Island Reserve Commission to fulfill its mission under chapter 6K, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1328, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1330 Judiciary and Labor on H.B. No. 587**

The purpose and intent of this measure is to amend section 709-906, Hawaii Revised Statutes, to include persons in a dating relationship as family or household members for the purposes of prohibiting physical abuse of family or household members.

Your Committee received testimony in support of this measure from the Kauai Chamber of Commerce. 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 expanding the definition of "family or household member" to include persons in a dating relationship.

Existing law requires a police officer to order a person to leave the premises for a period of separation of twenty-four hours if the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm being inflicted by the person upon a family or household member. Your Committee further finds that this 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 using a no contact order issued by the police as justification. Thus, your Committee believes that increasing the no contact period from twenty-four to four-eight hours will provide victims a longer safe period to seek refuge or assistance.

Accordingly, your Committee has amended this measure by:

- (1) Adding language to increase from twenty-four to forty-eight hours the no contact period, during which a person is required by a police officer to stay away from a family or household member if the police officer has reasonable grounds to believe that a family or household member is in probable danger of further physical abuse or harm being inflicted by the person;
- (2) Inserting an effective date of July 1, 2050, to encourage 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. 587, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 587, 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. 1331 Judiciary and Labor on H.B. No. 1150**

The purpose and intent of this measure is to:

- (1) Exempt an owner's agreement with an attorney to file a claim as to identified property or contest the administrator's denial of a claim from the application of section 523A-25, Hawaii Revised Statutes; provided that an owner's agreement with an attorney that provides for compensation shall not exceed twenty-five percent of the total value of the property; and
- (2) Provide an exception to the twenty-five percent limit for an owner's agreement with an attorney to maintain an action in circuit court upon approval of the court.

Your Committee received testimony in support of this measure from the Collections Law Section of the Hawaii State Bar Association.

Your Committee finds that Act 229, Session Laws of Hawaii 2012, limited compensation for the recovery of property presumed abandoned to ten percent of the total value of the property. Your Committee further finds that the majority of property held by the Department of Budget and Finance is valued at less than \$5,000. If any difficulties are encountered when attempting to release property from the Department of Budget and Finance, the cost for the claimant to hire an attorney in the majority of unclaimed property cases will increase beyond the ten percent limit rather quickly. The ten percent limit on compensation for recovery therefore creates a barrier for members of the public who wish to hire an attorney to assist with the recovery of unclaimed funds or property. By increasing the limit on compensation for attorneys to twenty-five percent of the total value of the property, this measure ensures that members of the public are still able to retain attorneys to handle the claims process, while also ensuring that attorneys' fees for this process remain at reasonable levels.

Your Committee has amended this measure by changing the effective date from July 1, 2050, to July 1, 2013.

As affirmed by the record of votes of the members 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. 1150, 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. 1150, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 1332 Judiciary and Labor on H.B. No. 17**

The purpose and intent of this measure is to:

- (1) Delete the "one gallon per person per day" exception to the prohibition against the removal of sand and other beach or marine deposits, except for materials inadvertently taken, and create an exemption for public emergencies and traditional cultural practices;
- (2) Clarify, upon the request of the Department of Land and Natural Resources, that Act 160, Session Laws of Hawaii 2010 (Act 160), is not to be construed to modify or alter any agreement of the Department of Land and Natural Resources that was in effect or executed on the effective date of Act 160; and
- (3) Extend the sunset date of Act 160 by two years to ensure public lateral access along the shoreline by requiring landowners to remove human-induced, enhanced, or unmaintained vegetation interfering with such access and extending the Department's enforcement duty to maintain such access.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Kailua Neighborhood Board No. 31, Kuliouou/Kalani Iki Neighborhood Board No. 2, Sierra Club of Hawaii, Building Industry Association of Hawaii, Hawaii's Thousand Friends, The Chamber of Commerce of Hawaii, and twelve individuals. Testimony in opposition to this measure was submitted by the Hawaii Association of REALTORS and one individual. The Office of Planning submitted comments.

Your Committee finds that some landowners intentionally promote the growth of shoreline vegetation or promote vegetation along makai to mauka beach transit corridors in an attempt to increase the area of their property while decreasing coastal public trust assets. Act 160 requires that landowners remove human-induced, enhanced, or unmaintained vegetation interfering with such access. Act 160 protects coastal public resource assets and requires the Department of Land and Natural Resources to maintain access within beach transit corridors.

Your Committee notes that Act 160 is scheduled to sunset on June 30, 2013. The Department of Land and Natural Resources testified that it has successfully used Act 160 to compel offending landowners to cut back vegetation that inhibits lateral shoreline



access. Thus, the Department suggested that this measure be amended by making Act 160 permanent rather than extending the sunset date for an additional two years.

Your Committee further notes the suggestion raised by a testifier that the prohibition against the removal of sand and other beach or marine deposits should be clarified to apply only to naturally occurring deposits.

Your Committee has amended this measure by:

- (1) Adopting the amendment suggested by the Department of Land and Natural Resources by repealing the sunset provision of Act 160; 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. 17, 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. 17, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 1333      Judiciary and Labor on H.B. No. 87**

The purpose and intent of this measure is to:

- (1) Broaden the offense of criminal trespass in the first degree to include a person who enters or remains unlawfully in or upon the premises of any public housing project after a reasonable warning or request to leave by housing authorities or a law enforcement officer;
- (2) Clarify that the warning or request to leave is not necessary between 10:00 p.m. and 5:00 a.m. at any public housing project that is closed to the public during those hours and has signs of a certain size and placement to provide sufficient notice of the closure; and
- (3) Define housing authorities.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority. Testimony in opposition to this measure was submitted by the Office of the Public Defender.

Your Committee finds that the Hawaii Public Housing Authority continues to make improvements to security measures at many of the high risk housing projects, including the addition of fences, security fences, and photo identification cards for tenants. Enacting this measure will significantly improve the ability of the Authority to ensure a secure, livable community for residents. Meanwhile, the Authority will continue to work with local law enforcement and security personnel to refine policies and procedures to effectively keep residents safe and secure.

Your Committee notes the concerns raised by the Office of the Public Defender that the misdemeanor penalty may be too severe for a person who is convicted of criminal trespass in the first degree for remaining on the premises of a public housing project. The Office testified that a person may have any number of legitimate reasons for being on the grounds of a housing project during the time the housing project is closed to the public. Although the Office suggested that the penalty for entering or remaining on a public housing project premise after hours be lowered, the Hawaii Public Housing Authority testified that the misdemeanor penalty serves as a deterrent.

Your Committee has amended this measure by:

- (1) Adding state low-income housing projects, as defined in section 356D-51, Hawaii Revised Statutes, to the types of public housing projects to which this measure applies; and
- (2) Clarifying that a person who enters or remains unlawfully on public housing project premises after hours shall be guilty of a petty misdemeanor for the first violation and a misdemeanor for a second or subsequent violation.

As affirmed by the record of votes of the members 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. 87, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 87, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Ihara).

**SCRep. 1334      Judiciary and Labor on H.B. No. 423**

The purpose and intent of this measure is to repeal the sunset date of Act 120, Session Laws of Hawaii 2009, which requires transactions regarding fee simple interests in time shares to be recorded in the Bureau of Conveyances and provides a mechanism for transferring the registration from the Land Court System to the Bureau of Conveyances.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; American Resort Development Association Hawaii; SVO Pacific, Inc.; and Wyndham Vacation Ownership. The Judiciary and one individual submitted comments on this measure.

Your Committee finds that Act 120, Session Laws of Hawaii 2009, deregistered fee simple time share transactions from the Land Court system and established a procedure to move these transactions to the regular system in the Bureau of Conveyances. Your Committee further finds that the number of owners of a fee simple time share range from hundreds to thousands, with each owner holding a percentage interest in the time share property. The removal of fee simple time share transactions from the Land Court has

eliminated the need to issue a certificate of title for each fee simple time share unit for each owner, has significantly streamlined the registration process for fee simple time share interests, and has eased the backlog of recordings at the Land Court. Repealing the applicable sunset provision of Act 120, Session Laws of Hawaii 2009, as provided by this measure, will therefore permanently establish the streamlined process and ease the backlog of registering fee simple time share interests in the Land Court system.

Your Committee notes that Act 121, Session Laws of Hawaii 2012, established that deregistered land included deregistered fee time share interests, other fee time share interests, and voluntarily deregistered fee non-time share interests. Your Committee further notes the concerns raised by the Judiciary in written testimony regarding the sunset of the voluntary deregistration of non-time share fee simple interests and the current voluntary deregistration provisions. The Judiciary testified that while it supports making permanent the provisions of Act 120, Session Laws of Hawaii 2009, relating to the deregistration of fee time share interests, it would like to continue to seek improvements to the deregistration process for non-time share interests to ensure consistency.

Accordingly, your Committee has amended this measure by adopting the language suggested by the representative of SVO Pacific, Inc., that separates the voluntary deregistration of fee non-time share interests from the deregistration provisions under part II of chapter 501, Hawaii Revised Statutes, by:

- (1) Adding a purpose section to clarify the intent of this measure;
- (2) Establishing a separate process for the deregistration of registered land other than fee time share interests;
- (3) Making conforming amendments under chapter 501 and sections 634-51 and 636-3, Hawaii Revised Statutes, to appropriately reflect the separation of the deregistration of fee time share interests from the voluntary deregistration of registered land other than fee time share interests; and
- (4) Repealing the process for the deregistration of registered land other than fee time share interests on December 31, 2014.

As affirmed by the record of votes of the members 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. 423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 423, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Ihara, Slom).

**SCRep. 1335 Judiciary and Labor on H.B. No. 951**

The purpose and intent of this measure is to:

- (1) Authorize the Director of Public Safety to maintain a list of independent civil process servers; and
- (2) Update various sections of the Hawaii Revised Statutes to clarify that law enforcement officers and independent civil process servers may serve certain types of legal process.

Your Committee received testimony in support of this measure from the Judiciary, Department of Public Safety, Collection 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 and one individual.

Your Committee finds that there have been difficulties in identifying private process servers and obtaining their services in Hawaii. The unavailability of those services has resulted in an increased reliance on Deputy Sheriffs, who are already understaffed, to issue service of process, which causes delays for serving process.

The Collection Law Section of the Hawaii State Bar Association testified that the Department of Public Safety stopped maintaining a list of authorized private process servers due to a misinterpretation by the Department of Public Safety of Act 142, Session Laws of Hawaii 2012 (Act 142), which allows individuals authorized by the rules of the court to serve various types of civil process. As a result of Act 142, the Department testified that it stopped providing lists of eligible process servers. The Collection Law Section testified that the Department's interpretation of Act 142 has caused significant problems and confusion for the courts, attorneys, parties to lawsuits, previously listed authorized private process servers, and the general public. Therefore, your Committee further finds that, in the interest of efficiency and fairness, the Director of Public Safety should make a list of eligible process servers in the State available to the public as soon as possible. Your Committee strongly urges the Department to make the list of eligible process servers in the State available no later than thirty days after the effective date of this measure if this measure becomes law.

Your Committee has amended this measure by:

- (1) Adopting the amendments suggested by the Department of the Attorney General and Collection Law Section of the Hawaii State Bar Association to make further conforming amendments to sections 3, 4, 7, 9, 10, 12, 14, and 18 to specifically clarify that:
  - (A) The sheriff, sheriff's deputy, police officer, or independent civil process servers may serve certain types of legal process; and
  - (B) The sheriff, sheriff's deputy, or police officer may seize certain property;
- (2) Adopting the language suggested by the Department of the Attorney General to clarify that the maintenance of the list of civil independent process servers shall not create a private cause of action against the Department of Public Safety, the State, and the agencies, officers, and employees of the Department or the State;
- (3) Adopting the language suggested by the Judiciary and Collection Law Section of the Hawaii State Bar Association to reinstate the existing language under section 634-22, Hawaii Revised Statutes, relating to requiring a person specially appointed by the court to make an affidavit as a proof of service because this requirement has been long-standing in the law and court rules; 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. 951, 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. 951, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1336 Ways and Means on H.B. No. 395**

The purpose and intent of this measure is to establish the safe places for youth pilot program and to amend guidelines for courts to use in awarding custody of a minor child.

Your Committee received written comments in support of this measure from Adult Friends for Youth; Hawaii Youth Services Network; Pacific Alliance to Stop Slavery; Community Alliance for Mental Health; IMUAlliance; and sixty-seven individuals. Your Committee received written comments in opposition to part II of this measure from the Judiciary. Your Committee received written comments on this measure from the Office of Youth Services and one individual.

Your Committee finds that a safe places for youth pilot program and an appropriation to support it will help to link youth services and provide 24-hour crisis response for youth to access services needed to overcome negative influences. Your Committee further finds that, when awarding custody of a minor child, the court should be guided by a preference for awarding custody to both parents to maximize the child's physical, emotional, and meaningful contact with each parent.

Your Committee has amended this measure by:

- (1) Amending the definition of "youth" to specify individuals under the age of twenty-one;
- (2) Adding a repeal date for part I of the measure, to coincide with the termination date of the youth pilot program already established by the measure; 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 H.B. No. 395, 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. 395, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1337 Ways and Means on H.B. No. 1279**

The purpose and intent of this measure is to provide matching funds for competitively bid program expenses incurred for reintegration support, job training, employment placement, and case management for incarcerated persons who are reentering the community.

Your Committee received written comments in support of this measure from seven individuals.

Your Committee finds that it is in the best interest of both the offender and the community to provide support services to the offender upon reentry into the community. Your Committee believes that the funds appropriated by this measure will assist the offender population to achieve self-sufficiency and transition to the community in a safe, responsible manner.

Your Committee has amended this measure by:

- (1) Clarifying that no funds shall be made available unless matching funds are provided by an outside entity, public or private; 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. 1279, 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. 1279, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10; Ayes with Reservations (Slom). Noes, none. Excused, 3 (Kahele, Kouchi, Thielen).

**SCRep. 1338 Ways and Means on H.B. No. 144**

The purpose and intent of this measure is to consolidate and clarify the laws relating to professional employer organizations.

More specifically, this measure:

- (1) Repeals chapter 373K, Hawaii Revised Statutes, on professional employment organizations; and
- (2) Adds provisions to chapter 373L, Hawaii Revised Statutes, on professional employer organizations, addressing, among other things, the assignment of responsibilities between the professional employer organization and the client company, definitions, registration, notifications, fees, loss of the general excise tax exemption, and letter of credit equivalents.

Your Committee received comments on this measure from the Department of Labor and Industrial Relations, Maui Chamber of Commerce, Hawaii Association of Professional Employer Organizations, Hawaii Human Resources, Inc., and Tax Foundation of Hawaii.

Your Committee finds that consolidation and clarification of the statutory provisions in these chapters is necessary because effective implementation of each of them separately has been hampered by incompatible language, obscure objectives, and the lack of a common appreciation of the benefits intended or results to be realized under either of them.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 144, 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. 144, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (English).

**SCRep. 1339 Ways and Means on H.B. No. 1412**

The purpose and intent of this measure is to require the Department of Land and Natural Resources to accommodate the mooring of native Hawaiian canoes that are owned or leased by a nonprofit corporation, association, organization, or other duly chartered entity and operated for educational purposes.

This measure also requires any owner of a native Hawaiian canoe accommodated pursuant to this measure to submit to the Department of Land and Natural Resources an annual report describing the educational activities conducted during the previous year.

Your Committee finds that, for thousands of years, native Hawaiians traveled the Pacific Ocean in voyaging canoes. The experience of creating the canoe itself was of an educational, social, and spiritual character. Your Committee believes that, by accommodating educational native Hawaiian canoes in small boat harbors, this measure will provide enhanced opportunities to educate the public about the history and significance of native Hawaiian canoes.

Your Committee has amended this measure by:

- (1) Clarifying that mooring space shall be provided for native Hawaiian canoes that are used for educational purposes;
- (2) Providing that the owner or lessee, rather than merely the owner, of an accommodated native Hawaiian canoe shall submit the annual report to the Department of Land and Natural Resources; and
- (3) Clarifying that the annual report shall describe how the educational activities that were conducted during the previous year used, involved, or focused on the native Hawaiian canoe.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1412, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1412, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1340 Ways and Means on H.B. No. 888**

The purpose and intent of this measure is to provide the Hawaii Public Housing Authority with a streamlined process for disposing of property that has been abandoned on or seized from state low-income housing projects.

More specifically, this measure:

- (1) Repeals the present process for the disposition of abandoned property through a public auction; and
- (2) Establishes an expedited process for the disposition of both abandoned and seized property through a public auction for property that meets a certain monetary threshold value and through other appropriate means for property that does not meet the threshold value.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority.

Your Committee finds that this measure will simplify the procedures the Hawaii Public Housing Authority must follow to dispose of abandoned or seized property by reducing storage time prior to disposition and requiring publication and auction only where the estimated value of the abandoned or seized property exceeds a specified threshold. Your Committee believes this measure will reduce costs related to storage, notice, and disposition for abandoned or seized articles that are of little monetary worth.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 888, 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, 2 (English, Kouchi).

**SCRep. 1341 (Majority) Ways and Means on H.B. No. 747**

The purpose and intent of this measure is to:

- (1) Increase the Agribusiness Development Corporation's limit on investments in qualified securities of any one enterprise from \$500,000 to an unspecified amount; and
- (2) Appropriate funds to the Agribusiness Development Corporation to purchase agricultural land.

Your Committee received written comments in support of this measure from a private individual.

Your Committee received written comments in opposition to this measure from thirteen private individuals.

Your Committee finds that this measure will allow the Agribusiness Development Corporation greater investment flexibility by increasing the maximum allowable investment in any one enterprise. Your Committee also finds that this measure will enable the Agribusiness Development Corporation to purchase agricultural lands to promote the development and maintenance of agriculture in the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 747, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Thielen). Noes, 1 (Ruderman). Excused, 1 (English).

**SCRep. 1342 Ways and Means on H.B. No. 928**

The purpose and intent of this measure is to clarify that certain funds of the Department of Labor and Industrial Relations are trust funds.

More specifically, this measure renames the following funds as trust funds:

- (1) The unemployment compensation fund, established pursuant to section 383-121, Hawaii Revised Statutes;
- (2) The special compensation fund, established pursuant to section 386-151, Hawaii Revised Statutes;
- (3) The special fund for disability benefits, established pursuant to section 392-61, Hawaii Revised Statutes; and
- (4) The special premium supplementation fund, established pursuant to section 393-41, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and the Office of the Auditor.

Your Committee finds that this measure adopts the recommendations made by the Office of the Auditor regarding the classification of certain funds within the Department of Labor and Industrial Relations.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 928, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1343 (Majority) Ways and Means on H.B. No. 918**

The purpose and intent of this measure is to increase employment, earnings, and occupational skill level of the workforce in Hawaii, and as a result, improve productivity and competitiveness of Hawaii businesses.

More specifically, this measure allows employment and training fund moneys to be used to supplement insufficient funds allocated under the federal Workforce Investment Act of 1998, Public Law 105-220, as amended, as a temporary measure from July 1, 2013, to June 30, 2014, until a long-term solution is created. This measure also clarifies that the moneys collected as part of the employment and training assessment for the purpose of paying interest assessments in 2011 are used by the employment and training fund to support workforce training activities and further the State's economic recovery.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and ILWU Local 142.

Your Committee finds that the recent reduction in federal Workforce Investment Act funding for administrative purposes has adversely affected the ability of the Department of Labor and Industrial Relations to carry out statewide administrative functions and to support local workforce systems, including programs under the federal Workforce Investment Act. Although the Department maintains the same federal responsibilities regarding program management, administration, reporting, and oversight, these responsibilities must be met with less federal financial assistance. This measure will temporarily assist the Department of Labor and Industrial Relations to fulfill its federally mandated responsibilities to provide certain workforce training programs until a long-term solution is derived.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 918, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1344 Ways and Means on H.B. No. 841**

The purpose and intent of this measure is to update the Insurance Code to streamline and improve the operations of the Insurance Division and to ensure that the Insurance Division retains its accreditation with the National Association of Insurance Commissioners.

Your Committee received written comments in support of this measure from the Insurance Commissioner.

Your Committee finds that the Insurance Division's continued accreditation with the National Association of Insurance Commissioners serves as an assurance to the public that the Insurance Division meets baseline standards of solvency regulation.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 841, 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, 1 (English).

**SCRep. 1345 Ways and Means on H.B. No. 1130**

The purpose and intent of this measure is to improve accountability in the management of the Hawaii Health Systems Corporation, support clear and consistent roles for all regional systems, and create a more balanced multi-board tiered system.

More specifically, this measure increases the number of members of the Hawaii Health Systems Corporation Board of Directors from thirteen to eighteen and shifts the voting powers of the five regional chief executive officers to five community members to be appointed by the Governor.

Your Committee received written comments in support of this measure from the Hawaii Health Systems Corporation East Hawaii Regional Board and the United Public Workers.

Your Committee finds that the challenges facing the Hawaii Health Systems Corporation Board of Directors have become increasingly varied and complicated and require the expertise and assistance of a larger and more diverse Board. This measure would help to ensure a membership that possesses the knowledge and ability to address the numerous difficult issues before the Board.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1130, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1346 Ways and Means on H.B. No. 749**

The purpose and intent of this measure is to establish, within the Department of Labor and Industrial Relations, the Hawaii Agriculture Workforce Advisory Board.

The purpose of the Board is to:

- (1) Develop the next generation of the agriculture workforce in the State;
- (2) Develop partnerships with agricultural organizations and stakeholders;
- (3) Maintain and support the National Future Farmers of America Organization within the State; and
- (4) Recommend projects and programs to promote the expansion and development of the agricultural industry in the State.

This measure also appropriates an unspecified sum of funds to assist in the establishment and support of the Hawaii Agriculture Workforce Advisory Board.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations and two individuals.

Your Committee finds that this measure will further the policy of the State, as expressed by the State Planning Act, to promote economically competitive activities that increase Hawaii's agricultural self-sufficiency and to increase the attractiveness and opportunities for an agricultural education and livelihood. Your Committee believes that this measure will increase Hawaii's agricultural self-sufficiency by developing the State's agricultural workforce and promoting the development of the State's agricultural industry.

Your Committee has amended this measure by:

- (1) Codifying section 2 as part of chapter 371, Hawaii Revised Statutes (Department of Labor and Industrial Relations organizational law); 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. 749, 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. 749, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1347 Ways and Means on H.B. No. 2**

The purpose and intent of this measure is to improve the public's awareness of long-term care options.

More specifically, this measure requires and appropriates funds for 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 independent evaluation of the campaign.

Your Committee received written comments in support of this measure from the Executive Office on Aging; Policy Advisory Board for Elderly Affairs; Executive on Aging, County of Hawaii; AARP Hawaii; Community Alliance for Mental Health; Hawaii Family Caregiver's Coalition; ILWU Local 142; and seven concerned individuals.

Your Committee received written comments in opposition to this measure from one concerned individual.

Your Committee finds that between 2007 and 2030, the population aged eighty-five and older in Hawaii will increase by almost two-thirds. This population is in greatest need of long-term care and it generally has limited or erroneous knowledge of long-term care

issues, including the types and providers of long-term care services available. This measure would educate people about the potential need for long-term care and motivate people to begin planning for that potential need.

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

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1348 Ways and Means on H.B. No. 988**

The purpose and intent of this measure is to authorize use of the environmental response revolving fund to support the operations of an environmental disaster standby and response facility to respond to oil and fuel-related disasters affecting native wildlife in the State.

Your Committee received written comments in support of this measure from a private individual.

Your Committee received written comments in opposition to this measure from the Department of Health.

Your Committee finds that Hawaii has the largest concentration of endangered and threatened species in the world. Accordingly, it is imperative that the State be fully prepared to protect endangered and threatened animals if an oil or fuel-related disaster affecting native wildlife were to occur. Your Committee further finds that a purpose-built and operational oiled-wildlife response facility is the standard that has been set for highly successful emergency responses, as it allows for efficient, state-of-the-art wildlife care, provides for control of animal and hazardous waste handling and tracking, and ensures the safety of everyone working with oiled wildlife. Your Committee believes that this measure provides an appropriate source of funding to support the operations of the environmental disaster standby and response facility.

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 H.B. No. 988, 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. 988, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1349 Ways and Means on H.B. No. 218**

The purpose and intent of this measure is to increase the membership of the Corrections Population Management Commission by adding the Office of Hawaiian Affairs Administrator and a member of the public with knowledge of criminal justice and Native Hawaiian practices.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Community Alliance on Prisons, and one individual.

Your Committee finds that this measure will continue the work of the Native Hawaiian Justice Task Force, which was established by Act 170, Session Laws of Hawaii 2011, to develop strategies to reduce the disproportionate representation of Native Hawaiians in the criminal justice system. In 2012, the task force submitted the Native Hawaiian Justice Task Force Report which, among other things, recommended further study of the issue. Your Committee believes that adding the Office of Hawaiian Affairs Administrator and a member of the public with knowledge of both criminal justice and Native Hawaiian practices to the corrections population management commission will also help to address and develop solutions responsive to the needs of Native Hawaiians drawn into the criminal justice system.

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 a technical nonsubstantive amendment 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. 218, 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. 218, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1350 (Majority) Ways and Means on H.B. No. 833**

The purpose and intent of this measure is to make an emergency appropriation for fiscal biennium 2011-2013 for collective bargaining cost items for officers and employees in collective bargaining unit (10) and their excluded counterparts.

Your Committee received written comments in support of this measure from the Department of Budget and Finance; the United Public Workers, AFSCME Local 646, AFL-CIO; and one individual.

Your Committee finds that on January 10, 2013, the Department of Budget and Finance received an arbitration award reflecting a 3.2 per cent increase for officers and employees within collective bargaining unit (10), beginning January 16, 2013. Your Committee further finds the amounts appropriated in this measure reflect the arbitration award along with increases for the excluded counterparts who belong to the same compensation plans as those officers and employees within collective bargaining unit (10).

Your Committee has amended this measure by:

- (1) Specifying that the amounts appropriated are for fiscal year 2012-2013;
- (2) Clarifying that amounts appropriated for state officers and employees excluded from collective bargaining are for those who belong to the same compensation plans as those officers and employees within collective bargaining unit (10);
- (3) Correcting the program identification title for the appropriations for state employees in collective bargaining unit (10) and their excluded counterparts who are assigned to the Judiciary;
- (4) Correcting the program identification title for the appropriations for state employees in collective bargaining unit (10) and their excluded counterparts who are assigned to Hawaii Health Systems Corporation; 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. 833, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 833, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1351 (Majority Ways and Means on H.B. No. 656)**

The purpose and intent of this measure is to temporarily establish the health care transformation program within the Office of the Governor.

Your Committee received written comments in support of this measure from the Office of the Governor, the Community Alliance for Mental Health, Hawaii Medical Services Association, and two individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Healthcare Association of Hawaii.

Your Committee finds that the health care transformation program will provide the State with a means to support discussion among stakeholders that is necessary to increase administrative uniformity to improve the State's health care system.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 656, 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. 656, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1352 Ways and Means on H.B. No. 1424**

The purpose and intent of this measure is to authorize the issuance of general obligation bonds and appropriate the revenues derived therefrom for the Department of Land and Natural Resources to engage in efforts, in consultation with Hawaiian Islands Land Trust, to acquire the parcel of land located at Lipoa Point, identified as TMK 2-4-1-001-010-0000.

The measure also requires the Department of Land and Natural Resources, to the extent possible, to ensure that the seller of the parcel of land uses the proceeds of the sale to benefit the pension plan of retirees of the Maui Land and Pineapple Company, Inc.

Your Committee received written comments in support of this measure from Save Honolua Coalition; The Trust for Public Land; the Strategy Group, Inc.; Maui Land and Pineapple Company, Inc.; and thirty individuals. One individual submitted written comments in opposition. Two individuals submitted written comments.

Your Committee finds that, due to its iconic reputation, Honolua Bay draws countless visitors to Hawaii, which helps generate revenue by bolstering the State's tourist industry. Your Committee further finds that recent contemplation of zoning changes to the area have jeopardized the pension benefits for numerous retirees, as the parcel at Lipoa Point was pledged against a pension fund established by the retirees' former employer. Your Committee believes that this measure allows the State to explore options to preserve the area's pristine condition, while ensuring the adequate capitalization of the pension fund against which the parcel was pledged.

Your Committee has amended this measure by:

- (1) Deleting the general obligation bond authorization and appropriation;
- (2) Changing the effective date 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. 1424, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1424, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1353 Ways and Means on H.B. No. 1149**

The purpose and intent of this measure is to protect the public against health and safety hazards and to preserve the natural beauty of Hawaii by establishing requirements for the decommissioning of wind energy facilities.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and one concerned individual.

Your Committee received written comments on this measure from the Public Utilities Commission.

Your Committee finds that abandoned and improperly maintained wind energy facilities pose a health and safety risk to the public, as well as result in a blight on the natural environment. Large scale wind energy facilities consist of large wind turbines, electrical substations, electrical lines, and other structures that when left to deteriorate may cause severe damage to life and property. This measure would improve public safety by helping to ensure safe dismantling of wind energy facilities at the end of their useful life.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion; and
- (2) Making technical nonsubstantive amendments for the purposes of 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. 1149, 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. 1149, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1354 Ways and Means on H.B. No. 90**

The purpose and intent of this measure is to address issues regarding the use of emergency response vehicle sirens and lights.

More specifically, this measure establishes an emergency response vehicle noise task force within the Department of Health to examine the use and effectiveness of lights and sirens by emergency response vehicles.

Your Committee received written comments in support of this measure from the State Fire Council; Kauai Fire Department; and two concerned individuals.

Your Committee finds that the public has serious concerns regarding the appropriate use of sirens and lights on emergency response vehicles, including whether the sirens are audible by motorists, whether the lights are visible, and whether the sirens and lights are unnecessarily used. This measure would establish a task force to examine these issues and make recommendations on any appropriate changes to the law.

Your Committee has amended this measure by:

- (1) Making the task force permanent by codifying its establishment in the Hawaii Revised Statutes;
- (2) Providing for nomination and appointment of non-governmental members in accordance with section 26-34, Hawaii Revised Statutes;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; 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. 90, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 90, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1355 Ways and Means on H.B. No. 358**

The purpose of this measure is to increase participation in the legislative process by expanding access to legislative hearings for neighbor island residents.

Specifically, this measure:

- (1) Requires both chambers of the Legislature to implement rules to enable the Legislature to receive live oral testimony from the neighbor islands through audio or audiovisual technology;
- (2) Requires each legislative chamber to identify executive agency sites or facilities that have audio and audiovisual capabilities that may be used for live oral testimony under this measure; and
- (3) Appropriates funds for the use of audiovisual technology throughout the State for the purposes of this measure.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services and thirteen individuals.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Disability and Communication Access Board and the Office of Information Management and Technology.

Your Committee recognizes that while written testimony may be submitted to the Legislature by various electronic means, the presentation of live oral testimony requires neighbor island residents to travel to Oahu. For some, this is a cost-prohibitive option that may discourage active, in-person participation at legislative hearings. Your Committee finds that this measure will enable neighbor island residents to provide live oral testimony through the use of available technology.

Your Committee has amended this measure by:

- (1) Requiring each legislative chamber to consult with:
  - (A) The Chief Information Officer of the State, who shall ensure that the audio or audiovisual technology to be used:
    - (i) Satisfies the technical requirements of the State's existing network infrastructure;
    - (ii) Adheres to best practices;
    - (iii) Is compatible with multiple platforms; and
    - (iv) Is provided appropriate resources and support; and
  - (B) The Disability and Communication Access Board to ensure that all activities conducted pursuant to this measure comply with the requirements of the Americans with Disabilities Act;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) 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 H.B. No. 358, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 358, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1356 Ways and Means on H.B. No. 222**

The purpose and intent of this measure is to appropriate funds for the operating budget of the Office of Hawaiian Affairs for fiscal years 2013-2014 and 2014-2015.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and one individual.

Your Committee recognizes the significance of the services and advocacy that the Office of Hawaiian Affairs (OHA) provides its beneficiaries and acknowledges the need to ensure that OHA has sufficient resources to continue these services.

Your Committee has provided \$250,000 in general funds and \$250,000 in trust funds for 'Oiwai Television, Hawaii's first and only Native Hawaiian television station. Your Committee is cognizant of OHA's focus on educational enrichment programs in the community, especially for Native Hawaiian K-12 programs. As such, your Committee has provided \$134,430 in general funds and \$134,430 in trust funds for OHA to enhance academic services for its beneficiaries. Your Committee understands the importance of health care and making health services accessible. To this end, your Committee has provided \$750,000 in general funds and \$750,000 in trust funds for OHA's direct health services and prevention programs.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 222, 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. 222, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Sлом). Noes, none. Excused, 1 (English).

**SCRep. 1357 Ways and Means on H.B. No. 197**

The purpose and intent of this measure is to appropriate funds for the operating and capital improvement costs of the Judiciary for fiscal years 2013-2014 and 2014-2015.

Your Committee received written comments in support of the measure from the Judiciary; the Mayor of the County of Hawaii; Prosecuting Attorney of the County of Hawaii; Hawaii Access to Justice Commission; Hawaii State Bar Association; West Hawaii Bar Association; Legal Aid Society of Hawaii; Oahu Domestic Violence Task Force; Hawaii State Coalition Against Domestic Violence; Hawaii Disability Rights Center; Hawaii Justice Foundation; The Mediation Center of the Pacific, Inc.; Boards of Directors Child and Family Service and CFS Real Property; Child and Family Service; Chaminade University; The National Crittenton Foundation; and nine individuals.

Your Committee received written comments on this measure from Domestic Violence Action Center.

In concert with the decision to restore the five per cent labor savings reduction to agencies statewide, your Committee has provided \$4,134,343 in general funds to the Judiciary to restore funds for labor costs. In addition, scheduled pay increases to judges as called for by the 2006 Commission on Salaries (the commission) were deferred. Your Committee is now able to restore judge's salaries to the amounts scheduled for fiscal year 2013-2014 by the Commission on Salaries. As such, your Committee has provided \$4,465,777 in general funds to restore judges' salaries in various Judiciary programs.

Your Committee supports collaboration between the Judiciary, Office of the Public Defender, United States Department of Veterans Affairs, Department of the Attorney General, and the Prosecuting Attorney of the City and County of Honolulu to establish the Veterans Treatment Court. This specialty court has been designed to address the unique needs of veterans entering the criminal justice system with mental illness and substance abuse issues arising from their service to our country. To advance these efforts, your Committee has provided general fund support for deputy defender, deputy prosecuting attorney, and social worker positions in the amount of \$278,352.

Your Committee is cognizant of the need to reinvest in judiciary programs that partner with private and nonprofit providers to administer assessments, treatment, counseling, and shelter services. Investments in these services reduce recidivism and corresponding incarceration costs as well as increase accessibility to court resources for domestic violence victims and drug court offenders, juvenile and adult alike. To this end, your Committee has provided \$611,204 to restore funding for purchase of service contracts in the Judiciary.

Your Committee also supports the public-private partnerships between the Judiciary and the community by means of Hawaii Children's Justice Centers (Centers). These programs bring together professionals to coordinate their activities and investigations of child abuse and neglect. Lack of professional support and neighbor island outreach for forensic specialist services at the Centers have resulted in many child victims going without timely assessment and returning to homes of abuse and neglect. In order to address these injustices, your Committee has wholly funded the Judiciary's request for positions and salary amounts to support neighbor island Children Justice Centers in the upcoming biennium.

Your Committee is aware of the high demand for legal assistance among Hawaii's vulnerable populations. The Judiciary works with the legal community to provide subsidized court services to those who cannot afford to pay on their own. Act 180, Session Laws Hawaii 2011, included a provision that would increase surcharges for various court services in calendar year 2012, so as to enhance deposits into the Indigent Legal Assistance Fund (Fund) and expand the Judiciary's capacity to provide low- and moderate income residents with additional access to legal services. However, the lack of a concurrent increase in the Fund's expenditure ceiling has resulted in the Judiciary's inability to expend the additional moneys as they were intended. To address this administrative anomaly, your Committee has authorized the special fund expenditure of an additional \$1,000,000 from the Fund.

Your Committee has also provided \$1,095,225 in general funds in support of the Judiciary's efforts to move the Juvenile Client Services Branch from Honolulu to Kapolei. It is your Committee's understanding that this relocation will enhance productivity and performance of staff, as well as improve communication and coordination between the branches of Family Court, which have already moved to Kapolei.

Further, in support of recapitalizing existing operations throughout the Judiciary, your Committee has provided positions and funding that address various circuit needs, including the community service sentencing program on Maui, legal aid services in the Hilo Court District, and overall administration of the Judiciary.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 197, 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. 197, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kidani).

**SCRep. 1358 Ways and Means on H.B. No. 977**

The purpose and intent of this measure is to increase highway safety by conforming state law with recent changes to federal regulations relating to commercial driver licensing.

More specifically, this measure provides for a commercial learner's permit and implements various other changes to enhance the commercial driver license program.

Your Committee finds that failure to enact these changes recommended by the Federal Motor Carrier Safety Administration could result in the loss of approximately \$5,500,000 of federal funding for the first year of non-compliance and \$10,900,000 per year thereafter.

Your Committee has amended this measure by:

- (1) Repealing the existing definition of "tank vehicle" in section 286-2, Hawaii Revised Statutes, because the term is used only with regard to commercial driver licensing and is defined by this measure for that purpose;
- (2) Clarifying that the holder of a commercial learner's permit is eligible to take a commercial driver's license skills test no earlier than the fourteenth day after obtaining the learner's permit;
- (3) Clarifying that the commercial driver license applicant may submit the results of an out-of-state skills test to the examiner of drivers for approval; 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. 977, 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. 977, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1359 Ways and Means on H.B. No. 1263**

The purpose of this measure is to protect Hawaii's agricultural crops by providing funding to maintain and improve various irrigation systems.

Specifically, this measure:

- (1) Authorizes the Director of Finance to issue general obligation bonds to finance improvements to various irrigation systems; and
- (2) Appropriates funds for the operation and maintenance of the East Kauai Irrigation System.

Your Committee received written comments in support of this measure from 4 Ag Hawaii; Hawaii Cattlemen's Council; Wong's Meat Market, Ltd.; Hawaii Farm Bureau Federation; PonoHolo Ranch, Ltd.; East Kauai Water Users' Cooperative; Kauai County Farm Bureau; Saiva Siddhanta Church; Kauai Taro Growers Association; Hawaii Aquaculture and Aquaponics Association; MCFB; and seven individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that irrigation systems are the lifelines of Hawaii's agricultural industry. This measure appropriates funds needed to maintain irrigation systems to ensure a reliable supply of water for Hawaii's agricultural crops.

Your Committee has amended this measure by deleting the provisions authorizing the issuance of general obligation bonds and related 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. 1263, 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. 1263, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1360 Ways and Means on H.B. No. 1137**

The purpose of this measure is to clarify the qualifications for court-appointed child custody evaluators and enhance protections for parties who are affected by an evaluator's determinations.

Specifically, this measure:

- (1) Specifies the types of licensed individuals who may serve as court-appointed child custody evaluators and sets forth the circumstances under which unlicensed individuals may be appointed; and
- (2) Requires the Judiciary to:
  - (A) Maintain a publicly accessible registry of qualified child custody evaluators;
  - (B) Establish a process to refer complaints regarding court-appointed child custody evaluators to the appropriate licensing authority, where applicable; and
  - (C) Report annually to the Legislature regarding the number of complaints processed through the referral process.

Your Committee received written comments in support of this measure from eleven individuals.

Your Committee finds that section 571-46, Hawaii Revised Statutes, requires family courts to define the qualifications and standards of practice for court-appointed child custody evaluators. This measure clarifies who may be appointed as a child custody evaluator by specifying the qualifications for court-appointed child custody evaluators. In addition, this measure increases protections for the parties to a child custody proceeding by requiring the Judiciary to maintain a public registry of qualified evaluators and establish a referral process for complaints against evaluators.

Your Committee has amended this measure by:

- (1) Specifying that the publicly accessible registry of child custody evaluators is to be maintained on the Judiciary's website;
- (2) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (3) 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 H.B. No. 1137, 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. 1137, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1361 (Majority) Ways and Means on H.B. No. 1**

The purpose and intent of this measure is to study the feasibility of a long term care financing program for the State's working population.

More specifically, this measure:

- (1) Requires the Director of the Executive Office on Aging to contract for a feasibility study to design a limited, mandatory, public long term care financing program;
- (2) Requires the Director of the Executive Office on Aging to contract for the performance of an actuarial analysis by a licensed actuary;
- (3) Requires the feasibility study and the actuarial analysis to be submitted to the Director of the Executive Office on Aging by June 30, 2014;
- (4) Requires the Director of the Executive Office on Aging to submit a report of the Director's findings and recommendations, based upon the feasibility study and actuarial analysis, to the Legislature no later than twenty days prior to the Regular Session of 2015; and
- (5) Makes an appropriation of an unspecified amount for the performance of the feasibility study and the actuarial analysis.

Your Committee received written comments in support of this measure from the Executive Office on Aging, the Policy Advisory Board for Elder Affairs, AARP-Hawaii, and the ILWU Local 142.

Your Committee finds that Hawaii's rapidly aging population makes it necessary to address the need for and the cost of long term care in this State. Your Committee also finds that this measure will help to determine the feasibility and sustainability of providing a long term care program for working individuals in the State.

Your Committee has amended this measure to clarify the intent that the feasibility study and actuarial analysis must address the enumerated issues provided in 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. 1, 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. 1, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 1362 Ways and Means on H.B. No. 321**

The purpose of this measure is to increase participation in elections by facilitating voter registration.

Specifically, this measure authorizes voter registration at absentee polling places notwithstanding the expiration of the regular voter registration deadline, which is thirty days prior to the election.

Your Committee received written comments in opposition to this measure from three individuals.

Your Committee received written comments on this measure from the Hawaii Women's Coalition.

Your Committee finds that Hawaii has the lowest voter turnout rate in the nation. This measure seeks to remove barriers to voting by providing a means for voter registration notwithstanding the close of the general county register.

Your Committee has amended this measure by:

- (1) Amending the provision allowing challenges to a voter's registration under this measure pursuant to the procedures set forth in section 11-25, Hawaii Revised Statutes, to include the procedures under that section for challenging registration prior to Election Day; 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 H.B. No. 321, 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. 321, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1363 Commerce and Consumer Protection on H.B. No. 398**

The purpose and intent of this measure is to:

- (1) Require child care facilities, including family child care homes, group child care centers, and group child care homes; and infant and toddler child care centers that care for children less than one year of age to develop, maintain, and implement safe sleep policies, in accordance with rules adopted by the Department of Human Services, to prevent sudden unexpected infant deaths and sudden infant death syndrome; and
- (2) Establish a task force to address issues of home and community-based facilities during the transition of services from the Department of Human Services to the Department of Health.

Your Committee received testimony in support of this measure from the March of Dimes Foundation, Hawaii Chapter; Case Management Council; Case Management Professionals, Inc.; All Island Case Management Corporation; Adult Foster Homecare Association of Hawaii; and numerous individuals. Your Committee received comments on this measure from the Department of Health and Department of Human Services.

Your Committee finds that Hawaii is one of only seven states that do not regulate sleep positions in child care centers or family child care homes. Requiring child care facilities that care for children under the age of one year to implement safe sleep policies will help prevent infant deaths caused by unsafe sleeping environments and positions.

Your Committee further finds that Act 93, Session Laws of Hawaii 2012, transfers certain 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 on July 1, 2014. This measure establishes a task force to address the issues facing home and community-based facilities during this transition. However, your Committee has heard the concerns related to the fiscal implication and administrative burden that the task force would impose on the Department of Human Services and the Department of Health. Your Committee concludes that a working group convened by the chairs of the House and Senate Committees on Human Services is a more effective way to review these issues without unduly burdening the Department of Human Services and the Department of Health. Amendments to this measure are therefore necessary.

Accordingly, your Committee has amended this measure by:

- (1) Establishing a working group convened by the Chairs of the House and Senate Committees on Human Services, rather than a task force to review issues relating to the transition of oversight of home and community-based facilities from the Department of Human Services to the Department of Health;
- (2) Amending the membership of the working group;
- (3) Clarifying that members of the working group shall serve without compensation and shall not be considered state employees based solely upon their participation in the working group;
- (4) Making other conforming amendments related to the working group;
- (5) Inserting an effective date of July 1, 2020, to encourage 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 398, 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. 398, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 1364 Commerce and Consumer Protection on H.B. No. 652**

The purpose and intent of this measure is to:

- (1) Prohibit new remote dispensing pharmacies from operating within ten miles of any pharmacy, excepting those remote dispensing pharmacies in operation prior to the effective date of this measure; and
- (2) Extend the repeal date of Act 212, Session Laws of Hawaii 2008, to January 1, 2016.

Your Committee received testimony in support of this measure from Hawai'i Pacific Health, Times Supermarket, and one individual. Your Committee received comments on this measure from the Board of Pharmacy and Kaiser Permanente.

Your Committee finds that many individuals living in underserved or remote areas need improved access to medications and pharmacy services. Act 212, Session Laws of Hawaii 2008, sought to address these issues by permitting remote dispensing pharmacy operations. Your Committee further finds that remote dispensing permits a licensed pharmacist to dispense prescription medications from a location away from the responsible pharmacy, via live computer, video, and audio link with the responsible pharmacy and pharmacist-in-charge. This technology provides pharmacist oversight of the dispensation of prescription drugs, while also allowing pharmacies to serve patients in underserved or remote areas.

Your Committee additionally finds that the location of remote dispensing pharmacies near retail pharmacies may create operational challenges for retail pharmacies. This measure recognizes these challenges and prohibits new remote dispensing pharmacies from operating within ten miles of any pharmacy, except those remote dispensing pharmacies in operation prior to the effective date of this measure. This measure also extends the sunset date of Act 212, Session Laws of Hawaii 2008, until January 1, 2016.

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. 652, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 652, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1365 Commerce and Consumer Protection on H.B. No. 1381**

The purpose and intent of this measure is to:

- (1) Limit licensure by endorsement or reciprocity for nonresident military spouses to those spouses who are present in the State for at least one year pursuant to military orders;
- (2) Limit consideration of military service or training for licensure by endorsement or reciprocity to veterans honorably discharged within two years of application and exclude medical doctors, dentists, certified public accountants, and other licensees for which specified endorsement or reciprocity regulations exist; and
- (3) Clarify and permanently establish various requirements for licensure by endorsement and reciprocity for military veterans.

Your Committee received testimony in support of this measure from the Office of the Deputy Assistant Secretary of Defense, Military Community and Family Policy and The Chamber of Commerce of Hawaii. Your Committee received testimony in opposition to this measure from the Hawaii Dental Association. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that many military spouses accompany their service member spouses on military duty assignments. Your Committee further finds that this measure supports efforts led by the current Presidential Administration to simplify and expedite the employment of trained, educated, and highly qualified military spouses who accompany their service member spouses on military duty assignments.

Your Committee additionally finds that when Act 248, Session Laws of Hawaii 2012 (Act 248), was enacted, the intent was to allow the licensing authorities in Hawaii to consider military education, training, or service that was equivalent to civilian education, training, or service. Your Committee notes that S.B. No. 506, S.D. 2, which was previously passed by the Senate, contains language that is intended to provide additional clarity to Act 248. S.B. No. 506, S.D. 2, is also intended to demonstrate Hawaii's continuing commitment to the nationwide effort to facilitate military veterans' transition to post-service employment, including those military veterans who are from Hawaii and wish to find post-service employment in their home state. Amendments to this measure are therefore necessary to incorporate certain language from S.B. No. 506, S.D. 2.

Accordingly, your Committee has amended this measure by:

- (1) Deleting sections 2 and 3 and replacing them with section 2 from S.B. No. 506, S.D. 2, a measure which:
  - (A) Clarifies that licensing authorities that consider relevant education, training, or service of a military veteran applicant and determine the applicant meets or exceeds the requirements for licensure in Hawaii shall accept the results of the passage of a national or regional exam accepted by statute or rule in the specific licensing area or the equivalent as determined by the licensing authority; and
  - (B) Requires a certificate or evidence satisfactory to the licensing authority of having passed a national or regional exam or the equivalent to be provided to the licensing authority;
- (2) Inserting an effective date of July 1, 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1381, 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. 1381, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

#### **SCRep. 1366 Commerce and Consumer Protection on H.B. No. 62**

The purpose and intent of this measure is to prohibit a pharmacy benefits manager from using a patient's prescription drug benefits claim information to market to that patient the services of a preferred pharmacy network that is owned by the pharmacy benefits manager, except in certain situations.

Your Committee received testimony in support of this measure from the National Community Pharmacists Association; Hawaii Community Pharmacists Association; Hawaii Food Industry Association; Walgreen Co.; Times Supermarket; and seven individuals. Your Committee received testimony in opposition to this measure from CVS Caremark Corporation and 'Ohana Health Plan. Your Committee received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs.

Your Committee finds that pharmacy benefits managers are intermediaries that negotiate services and costs between pharmaceutical companies and third party payors, such as insurance companies, businesses, and cash-paying customers.

Your Committee further finds that some pharmacy benefits managers have gone beyond using a patient's health information to process prescription claims and now use this information to directly market to that patient the services of a preferred pharmacy provider that is owned by the pharmacy benefits manager. These marketing practices include permitting call centers to repeatedly call patients and offer discounts only if a patient refills a prescription at a particular pharmacy affiliated with the pharmacy benefits manager. The implication that patients cannot fill their prescriptions at their pharmacy of choice is not in the best interests of patients and is oriented to the financial gain of the pharmacy benefits manager.

Your Committee additionally finds that the practice of pharmacy benefits managers sharing a patient's prescription claims information with their partially- or wholly-owned subsidiaries, for the purpose of marketing, without the patient's express consent is a breach of the patient's right to privacy. This right to privacy is expressed in article I, section 6, of the Hawaii State Constitution and was affirmed, as it relates to a person's medical health information, by the Hawaii Supreme Court in *Brende v. Hara*, 153 P.3d 1109 (2007).

Your Committee concludes that amendments to this measure are necessary to incorporate these personal health information protections, prohibit strict marketing contact on the part of a pharmacy benefits manager, and ensure these protections and restrictions apply to all health care providers and plans in the State. Amendments to this measure are also necessary to ensure that using a patient's medical information is acceptable for legitimate health and safety reasons or if the information is used in conformity with existing federal regulations.

Accordingly, your Committee has amended this measure by:

- (1) Adding a new section on pharmacy benefits managers, health information, and prohibited marketing practices to chapter 487J, Hawaii Revised Statutes, relating to personal information protection, rather than to chapter 481B, Hawaii Revised Statutes, relating to unfair or deceptive practices;
- (2) Deleting language that prohibited a pharmacy benefits manager from using a patient's prescription drug benefits claim information to market to that patient the services of a preferred pharmacy network that is owned by the pharmacy benefits manager, except in certain situations;
- (3) Specifying that a pharmacy benefits manager shall not use or share an individual's health information for the purpose of marketing, unless:
  - (A) Use of the information is medically necessary to the health and safety of the individual;
  - (B) Use of the information is consistent with federal regulations, if a plan is governed by those rules; or
  - (C) The individual has affirmatively opted in to the use of the information;
- (4) Specifying that a pharmacy benefits manager shall not sell or disseminate an individual's health information unless specific conditions are met;
- (5) Specifying that a pharmacy benefits manager shall not directly contact an individual for certain marketing purposes, but permitting a pharmacy benefits manager to contact an individual if an employee benefit plan, health benefits plan, or managed care plan sponsor first determines that the contact is specifically for health or safety reasons;
- (6) Specifying that this measure shall not prohibit the use of a patient's health information in conjunction with an insurer-authorized program to more effectively use prescription for health and safety reasons;
- (7) Requiring a pharmacy benefits manager to provide each individual with an opportunity to affirmatively opt in to the sale or dissemination of the individual's health information;
- (8) Inserting new definitions for "employee benefit plan", "health benefits plan", "managed care plan", "marketing", and "pharmacy benefits manager" in section 487J-1, Hawaii Revised Statutes;
- (9) Amending the purpose section of this measure for clarity;
- (10) Inserting an effective date of July 1, 2020, to encourage 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 Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 62, 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. 62, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 1367      Ways and Means on H.B. No. 1147**

The purpose of this measure is to enhance the disclosure of information under the campaign finance law.

Specifically, this measure:

- (1) Requires noncandidate committees that make only independent expenditures (election expenditures without the involvement of candidates or political parties) to identify certain top contributors in their advertisements, while providing an exemption for any radio or television advertisement of such short duration that the identification of top contributors would constitute a hardship;
- (2) Requires all reports filed with the Campaign Spending Commission to be made publicly available on the Commission's website in a searchable database;
- (3) Expands the information required to be disclosed in noncandidate committee reports regarding contributions and expenditures;
- (4) Requires noncandidate committees making only independent expenditures to certify that no expenditures have been coordinated with a candidate, candidate committee, or any agent thereof;
- (5) Establishes reporting requirements for late expenditures made shortly before an election;
- (6) Expands the information required to be included in statements of information filed for electioneering communications (advertisements disseminated shortly before an election);
- (7) Broadens the definition of "electioneering communication" to include any advertisement that is published by electronic means; and



- (8) Repeals corporate campaign contribution reporting requirements that are redundant of filing requirements for noncandidate committees.

Your Committee finds that the disclosure of information concerning election campaign contributions and expenditures has assumed greater importance in light of the recent United States Supreme Court decision in *Citizens United v. Federal Election Commission*, 558 U.S. 310 (2010), allowing unlimited independent expenditures by corporations and labor unions to influence elections. This measure would expand the disclosure and transparency provisions of Hawaii's campaign finance law to keep the public informed about the true source of funds used to influence the outcome of elections.

Your Committee has amended this measure by:

- (1) Changing a reference in section 1 of the measure, regarding noncandidate committee registration and reporting, from section 11-302, Hawaii Revised Statutes, to section 11-323, Hawaii Revised Statutes, because the former section contains only definitions;
- (2) Clarifying that all expenditures contracted or paid for and to be rendered during the last three days prior to an election are to be reported in the same manner as provided under section 11-338, Hawaii Revised Statutes, for late expenditure reports by noncandidate committees;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) 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 H.B. No. 1147, 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. 1147, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1368 Ways and Means on H.B. No. 1374**

The purpose and intent of this measure is to revise the public procurement code to permit past performance to be considered when awarding contracts.

More specifically, this measure:

- (1) Requires past performance on projects of similar scope for public agencies to be included among the evaluation criteria for competitive sealed bidding and among the evaluation factors for competitive sealed proposals;
- (2) Requires assessments of prior work to be included among the selection criteria for the procurement of professional services; and
- (3) Requires offerors to submit information on and assessments of prior work of similar scope for public agencies in order to establish the offerors' responsibility.

Your Committee received written comments in support of this measure from the Hawaii Regional Council of Carpenters. Your Committee received written comments in opposition to this measure from the Department of Accounting and General Services. Your Committee received written comments on this measure from the State Procurement Office and the General Contractors Association of Hawaii.

Your Committee finds that the public procurement code allows factors such as past performance to be considered, but the current administrative practice is to give little, if any, weight to poor past performance, provided that the construction contractor is the lowest bidder. Your Committee believes greater weight must be given to a contractor's past performance on public works projects to ensure that prudent decisions are made when expending precious taxpayer dollars.

Your Committee has amended this measure by:

- (1) Retaining existing statutory language that mandatory evaluation criteria for competitive sealed bidding be "objectively measurable," rather than "fair in the eyes of a reasonably objective taxpayer," and by specifying that the mandatory evaluation criteria will be used, "as applicable";
- (2) Permitting, rather than mandating, that the evaluation factors for competitive sealed proposals include applicable past performance on projects of similar scope for public agencies;
- (3) Deleting the provision that would have required offerors to submit information on and assessments of prior work of similar scope for public agencies in order to establish the offerors' responsibility; 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. 1374, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1374, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1369 Ways and Means on H.B. No. 1483**

The purpose and intent of this measure is to establish a task force to study the feasibility of authorizing the Hawaii Health Systems Corporation, or portions of it, to transition to public-private partnership status.

Your Committee received written comments in support of this measure from Department of Budget and Finance and one individual. Your Committee received written comments in opposition to this measure from United Public Workers and eight individuals. Hawaii Health Systems Corporation East Hawaii Region and Hilo Medical Center submitted written comments on this measure.

Your Committee finds that there is conflicting information on whether transition of the Hawaii Health Systems Corporation to public-private partnership status would be beneficial for the corporation and result in an improvement in services, reduction in costs, and increase in revenue. Your Committee believes that establishing a task force to study and submit a report to the Legislature is the best approach to determine whether transitioning the Hawaii Health Systems Corporation to a public-private partnership would yield the claimed benefits.

Your Committee has amended this measure by:

- (1) Identifying the task force as the Hawaii Health Systems Corporation Transition Task Force and establishing the task force within the Department of Health for administrative purposes;
- (2) Specifying that the Governor shall appoint the two task force members representing the public sector and shall appoint the task force chair from among the members;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; 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. 1483, 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. 1483, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1370 (Majority) Ways and Means on H.B. No. 120**

The purpose and intent of this measure is to ensure a standard of quality for care facilities.

More specifically, this measure:

- (1) Requires the Department of Health to make information regarding inspections of certain care facilities available to the public on the Department's website;
- (2) Establishes a working group within the Department of Health to develop a new inspection form to be posted online;
- (3) Requires the working group to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014; and
- (4) Makes an appropriation of an unspecified amount for each year of the fiscal biennium 2013-2015, to fund computer equipment, website and database development, and staff support, including one full-time equivalent position.

Your Committee received written comments in support of this measure from the State Council on Developmental Disabilities, the State Long Term Care Ombudsman, Executive Office on Aging, the Policy Advisory Board for Elder Affairs, Hawaii Family Caregiver Coalition, the Hawaii Alliance for Retired Americans, the ILWU Local 142, and five individuals.

Your Committee received written comments in opposition to this measure from United Group of Home Operators, the Alliance of Residential Care Administrators, and twenty-four individuals.

Your Committee received written comments on this measure from the Department of Health, Healthcare Association of Hawaii, and one individual.

Your Committee finds that this measure will provide the public with greater access to information regarding the quality of care provided by, and the conditions of, care facilities and allow for more informed decision-making for those seeking such care.

Your Committee notes the clarifying information provided by the Department of Health that indicates inspections are not considered concluded until all plans of correction have been submitted by the facility and accepted by the Department of Health. The department also indicated that depending upon the number or severity of deficiencies, this process may take several weeks following the actual on-site inspection.

Your Committee has amended this measure by:

- (1) Adding language to require that a written report of all corrective actions taken by care facilities be submitted to the Department of Health and added to the online inspection report at a later time, as determined by the Department;
- (2) Amending the language establishing the working group on licensed care facilities to distinguish between the mandatory members who shall serve in the working group from the members requested to participate, and clarifying that the Director of Commerce and Consumer Affairs, Chief Information Officer of the Office of Information Management and Technology, Director of the Executive Office on Aging, and Long-Term Care Ombudsman, or their respective designees, are to serve as members of the working group;

- (3) Appointing the Director of Health as the chairperson of the working group and deleting the provision to require the working group to choose the chairperson;
- (4) Changing the dissolution date of the working group to June 30, 2014, to facilitate cooperation, input, or information that may be needed from the working group during the 2014 Regular Session;
- (5) Replacing the term "task force" with "working group," for consistency; and
- (6) Changing the full-time equivalent position to an unspecified number.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 120, 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. 120, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1371 Ways and Means on H.B. No. 632**

The purpose and intent of this measure is to require executive departments to share data with the public.

Specifically, this measure:

- (1) Requires executive departments to make data sets available to the public through the State's open data portal;
- (2) Absolves the State of liability for deficient or inaccurate information contained in the data sets, except for instances involving gross negligence, willful and wanton misconduct, or intentional misconduct;
- (3) Authorizes the Chief Information Officer to license the data sets that are on the open data website to third parties to copy, display, distribute, or create derivative works; and
- (4) Requires the Chief Information Officer to establish data set policies and procedures.

Your Committee received written comments in support of this measure from the Office of Planning; Applications for Good; CyberCom, Inc.; Hawaii Open Data; Hyperspective Studios, Inc; Internet Society-Hawaii Chapter; and eight individuals. Your Committee received written comments on this measure from the Office of Information Practices and Common Cause Hawaii.

Your Committee finds that making data accessible to the public will support public-private collaboration, increase government transparency, promote civic engagement, and improve commerce.

Your Committee has amended this measure by:

- (1) Setting forth definitions of terms in a separate new section to be added to Hawaii Revised Statutes;
- (2) Amending the definition of "open data" by removing a reference to the Legislature to conform to the definition of "data" in the measure;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 632, 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. 632, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11; Ayes with Reservations (Slom). Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1372 Ways and Means on H.B. No. 775**

The purpose and intent of this measure is to appropriate funds for claims against the State, its officers, and its employees for fiscal year 2012-2013.

Your Committee received written comments in support of this measure from the Department of the Attorney General.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee finds that this measure is necessary to fund the disposition of claims against the State, its officers, and its employees that were resolved by settlement, mediation, arbitration, or judgment.

Your Committee has amended this measure by adding three new claims to the measure as follows:

- (1) Jackson v. State of Hawaii, et al., for \$250,000;
- (2) Chang v. State of Hawaii, et al., for \$15,000; and
- (3) Eager v. State of Hawaii, et al., for \$291,078.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 775, 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. 775, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (English).

**SCRep. 1373      Judiciary and Labor on H.B. No. 1202**

The purpose and intent of this measure is to:

- (1) Clarify that a professional or vocational licensee who inadvertently fails to maintain licensing requirements but who subsequently corrects the failure so that there was no lapse in licensure shall not be guilty of unlicensed activity; and
- (2) Clarify that a contractor who inadvertently fails to maintain licensing requirements and who subsequently corrects the failure so that there was a lapse of no more than sixty days in licensure shall not be guilty of unlicensed contracting activity.

Your Committee received testimony in support of this measure from the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and General Contractors Association of Hawaii.

Your Committee finds that this measure is intended to clarify that certain professional or vocational licensees or contractors, licensed under either chapter 436B or 444, Hawaii Revised Statutes, who inadvertently fail to renew their licenses shall not be treated as unlicensed contractors after the subsequent renewal of their licenses. This measure is also consistent with existing licensure requirements under chapter 444, Hawaii Revised Statutes, by clarifying that a lapse in licensure of no more than sixty days does not constitute unlicensed contracting activity.

As affirmed by the record of votes of the members 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. 1202, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1374      Judiciary and Labor on H.B. No. 21**

The purpose and intent of this measure is to:

- (1) Permit the board of directors of a condominium association to collect a six-month special assessment from the mortgagee or other purchaser of a unit with a recorded lien for delinquent common assessments; and
- (2) Specify how excess rental income received by a condominium association after a foreclosure proceeding shall be paid to existing lien holders.

Your Committee received testimony in support of this measure from three individuals. Testimony in opposition to this measure was submitted by three individuals. Your Committee received comments on this measure from the Hawaii Financial Services Association; Hawaii Bankers Association; Community Associations Institute, Hawaii Chapter; and two individuals.

Your Committee finds that this measure is intended to assist condominium associations with the collection of unpaid common assessments by permitting an association to collect a delinquency reserve from each owner in a condominium. If an owner later becomes delinquent, an association can use that owner's delinquency reserve to pay off the owner's unpaid assessments in the event of a foreclosure of the owner's unit.

Your Committee notes that the costs of default in a condominium are substantially born by condominium associations and non-defaulting unit owners and mortgagors in the affected communities. The lending industry also has an interest in preserving the value of the condominium projects that make up part of the lending industry's collateral. Repairs, maintenance, security, and insurance provided by a condominium association and paid for through common assessments are essential to preserving that value. Therefore, your Committee further finds that the needs of the lending industry, condominium associations, and non-defaulting unit owners must be appropriately balanced. This measure will provide condominium associations and non-defaulting unit owners with relief while also addressing some of the interests of the lending industry.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 21, 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. 21, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1375      Judiciary and Labor on H.B. No. 25**

The purpose and intent of this measure is to:

- (1) Allow a condominium association, as a junior lienholder, to commence or continue a nonjudicial foreclosure action on a property subject to a judicial foreclosure even if the lender has filed for foreclosure; and
- (2) Preserve the right of owner-occupants to require the foreclosing mortgagee to participate in the dispute resolution process in situations where an association forecloses on residential real property occupied by one or more owner-occupant mortgagors for whom the unit is and has been the person's primary residence for a continuous period of not less than two hundred days immediately preceding the date on which the notice is served and the mortgagee subsequently forecloses its lien on the same property.

Your Committee received testimony in support of this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs; Hawaii Council of Associations of Apartment Owners; Community Associations Institute, Hawaii

Chapter; and three individuals. Testimony in opposition to this measure was submitted by the Hawaii Financial Services Association, Hawaii Bankers Association, and one individual.

Your Committee finds that under Hawaii's existing foreclosure law, an association cannot foreclose nonjudicially if a lender is foreclosing. Even if an association has already begun a nonjudicial foreclosure before the lender begins the foreclosure, that association's nonjudicial foreclosure must be put on hold or converted to a judicial foreclosure. The judicial foreclosure process can incur significant delays, during which time a property can fall into a state of disrepair, which negatively affects neighboring properties and the community as a whole. This measure provides associations and their surrounding communities with a mechanism to mitigate the damage, neglect, and loss of revenue or value that results during the extended time that is currently required for a mortgagee to judicially foreclose on a property.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 25, 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. 25, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1376      Judiciary and Labor on H.B. No. 1059**

The purpose and intent of this measure is to protect the rights of aliens in criminal proceedings in state courts by informing the alien defendant of the possible consequences to entering a guilty plea and its impact on the alien's admission to the United States.

Your Committee received testimony in support of this measure from the Department of the Attorney General; Office of the Public Defender; Department of the Prosecuting Attorney, City and County of Honolulu; and Department of the Prosecuting Attorney, County of Maui. Testimony in opposition to this measure was submitted by the Judiciary.

Your Committee finds that the existing language of section 802E-2, Hawaii Revised Statutes, relating to court advisement concerning alien status, was enacted in 1988 and has not been amended since then. Your Committee further finds that a United Supreme Court case (*Padilla v. Kentucky*, 559 U.S. 356 (2010)), and a Ninth Circuit Court of Appeals case (*Nunes-Reyes v. Holder*, 646 F.3d. 684 (2011)) requires that section 802E-2, Hawaii Revised Statutes, be updated to conform to current federal court holdings. The court advisement under section 802E-2, Hawaii Revised Statutes, does not adequately advise a defendant of the defendant's Sixth Amendment right to competent and specific advice on immigration consequences of a criminal conviction. Furthermore, the existing language is not consistent with Rule 11(c)(5) of the Hawaii Rules of Penal Procedure. This measure updates the current federal law and remedies those inconsistencies.

Your Committee notes the testimony submitted by the Office of the Public Defender that suggests that the advisement be read twice: at the defendant's arraignment and plea hearing prior to the entry of a guilty or no contest plea and prior to the commencement of trial. The Office testified that providing a warning at the arraignment and plea hearing will provide the defendant sufficient time to consult with an attorney regarding the potential impacts a conviction or deferral may have on the defendant's immigration status before entering a plea at trial.

Your Committee further notes the concerns raised in written testimony submitted by the Judiciary. At the end of the hearing on this measure, your Committee requested that the Judiciary and the Office of the Public Defender work together to develop language to address the Judiciary's concerns and establish requirements to advise a defendant twice.

Accordingly, your Committee has amended this measure by adopting the language developed by the Office of the Public Defender and Judiciary that:

- (1) Amends the new section added to chapter 802E, Hawaii Revised Statutes, to require the court to administer a specific advisement to a defendant at the commencement of the court session for arraignment and plea hearing;
- (2) Reinstates the language under section 802E-2, Hawaii Revised Statutes, and amends it further by amending the advisement the court is required to administer to the defendant prior to the commencement of trial, entry of a plea of guilty or nolo contendere, or an admission of guilt or sufficient facts;
- (3) Makes conforming amendments to section 802E-3, Hawaii Revised Statutes, to reflect the additional advisement required at the commencement of arraignment and plea hearing; and
- (4) Makes technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1059, 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. 1059, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1377      (Joint) Judiciary and Labor and Ways and Means on H.B. No. 668**

The purpose and intent of this measure is to:

- (1) Establish the medical marijuana transition advisory group to make specific recommendations on the transfer of the State's medical use of marijuana program from the Department of Public Safety to the Department of Health;
- (2) Require the medical marijuana transition advisory group to submit these specific recommendations to the Legislature no later than December 31, 2013;

- (3) Establish the medical marijuana registry revolving fund consisting of all monies derived from medical marijuana registration fees to offset the cost of the processing and issuance of a patient registry identification certificate, to fund positions authorized by the Legislature, to establish and manage a secure and confidential database, and for any other expenditures necessary to implement a medical marijuana registry program;
- (4) Transfer the medical use of marijuana program from the Department of Public Safety to the Department of Health by January 1, 2015, pursuant to the recommendations of the medical marijuana transition advisory group;
- (5) Require the Department of Public Safety and Department of Health to develop a plan, which shall include a timeline, for transferring the medical use of marijuana program from the Department of Public Safety and Department of Health based on the recommendations of the medical marijuana transition advisory group, and submit a joint report on the transfer of the medical use of marijuana program, including the plan and timeline for the transfer and the progress made, to the Legislature prior to the convening of the Regular Session of 2014; and
- (6) Require that any legislation codifying the recommendations of the medical marijuana transition advisory group be adopted by the Legislature by December 30, 2014; otherwise, require that this measure be repealed and the transfer of the medical use of marijuana program be prohibited.

Your Committees did not accept any testimony on the measure.

Your Committees find that the medical use of marijuana program is currently administered by the Department of Public Safety. Your Committees further find that given the medical nature of the program, the Department of Health is the appropriate state department to administer the program. Because of the enormity of the transfer process and the numerous, complicated issues that must be addressed during the transfer, your Committees find that it is necessary to establish a transition advisory group consisting of the Director of Health, Attorney General, and Deputy Director of Law Enforcement. The advisory group will submit recommendations to the Legislature on how to best transition the medical use of marijuana program from the Department of Public Safety to the Department of Health.

Your Committees have amended this measure by:

- (1) Inserting a medical marijuana registration fee of \$35; and
- (2) Inserting an effective date of July 1, 2050, to encourage 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 H.B. No. 668, 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. 668, H.D. 2, S.D. 2.

Signed by the Chairs on behalf of the Committees.

Judiciary and Labor

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Gabbard, Ihara).

Ways and Means

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1378 Ways and Means on H.B. No. 1103**

The purpose of this measure is to increase the instances in which a county may assess and collect impact fees owed to it.

More specifically, the measure provides counties with the option to assess and collect impact fees assessed and owed to it before or upon the issuance of a water meter.

Your Committee finds that under existing law, counties are only explicitly authorized to assess and collect impact fees upon or before the issuance of a building or grading permit. This measure expands that authority to include the option to assess and collect impact fees before or upon the issuance of a water meter.

Your Committee also finds that certain counties have expressed concerns that the current timing of collection of impact fees for projects does not allow sufficient flexibility. Your Committee believes that, by allowing impact fees to be assessed and collected prior to or upon issuance of a water meter, this measure affords the counties greater flexibility in planning and imposing fees and aligns state law with the current rules and procedures of the county water boards.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1103, H.D. 1, S.D. 1, and recommends that it pass Third Reading.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Thielen, Slom). Noes, none. Excused, 1 (English).

**SCRep. 1379 Ways and Means on H.B. No. 1264**

The purpose of this measure is to support the State's agricultural industry by enhancing the Department of Agriculture's agricultural loan program.

Specifically, this measure amends the requirements for agricultural loans that the Department of Agriculture insures, guarantees, participates in, or directly makes pursuant to chapter 155, Hawaii Revised Statutes, by:

- (1) Authorizing loans for biosecurity projects to protect the health of livestock, poultry, and humans from diseases, pests, and pathogens;

- (2) Subjecting all classes of loans that the Department of Agriculture insures, guarantees, or participates in, except for biosecurity project loans, to the same requirements regarding terms, conditions, eligibility, security, repayment, and refinancing set forth in sections 155-9 through 155-13, Hawaii Revised Statutes; and
- (3) Modifying the requirements for new farmer loans and establishing farm innovation loans to promote the development of innovative technologies and assist new farm enterprises, including by:
  - (A) Waiving the qualification of a prior credit denial for new farmer loans of up to \$100,000 for farm trainees and recent college graduates with a degree in agriculture; and
  - (B) Authorizing farm innovation loans of up to \$75,000 and requiring only one credit denial to qualify for these loans, rather than the standard two credit denials currently required for all agricultural loans, other than new farmer loans, under chapter 155, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Agriculture, Hawaii Farm Bureau Federation, and Ulupono Initiative.

Your Committee finds that the mission of the Department of Agriculture's agricultural loan program is to promote agricultural development in the State by stimulating, facilitating, and providing capital to qualified farmers and food manufacturers. This measure expands the loan program to include biosecurity projects that protect the health of poultry and livestock and ensure a safe food supply. In addition, this measure encourages the development of new farmers and new crops by increasing access to smaller loans designed to promote those purposes. Your Committee believes these provisions will protect the health of farm animals and consumers in the State. The measure also assists local agriculture by enabling farm innovation and encouraging more people to become farmers.

Your Committee has amended this measure by:

- (1) Specifying that the proposed incentives for new farmer loans of up to \$100,000 apply to graduates of farm trainee programs and persons who have graduated from college with a degree in agriculture within the five years immediately preceding the date of the loan application;
- (2) Eliminating the division of this measure into separate parts, consolidating sections, and eliminating duplicate language;
- (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (4) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1264, 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. 1264, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahahele, Thielen).

**SCRep. 1380      Ways and Means on H.B. No. 546**

The purpose and intent of this measure is to establish the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) task force within the Department of Budget and Finance to examine the unfunded liability of the EUTF.

This measure also appropriates funds for the task force and requires a report to the 2014 Legislature.

Prior to public decision making on the measure, a Proposed Senate Draft 2 (Proposed S.D. 2) was circulated for public review and comment.

The purpose and intent of the Proposed S.D. 2 is to add to the S.D. 1, the substance of S.B. No. 946, S.D. 1, which requires public employers to contribute annual required contributions to a separate trust fund established by the EUTF for the benefit of retirees and their beneficiaries. More specifically, S.B. No. 946, S.D. 1:

- (1) Requires the EUTF to establish a separate trust fund for public employer contributions with separate accounts for each public employer;
- (2) Requires the public employer to contribute, to the separate trust fund, the full amount of the public employer's annual OPEB liability, as determined by an actuary, commencing with fiscal year 2018-2019;
- (3) Requires the use of a portion of the general excise tax revenues to supplement deficient state public employer contribution amounts commencing with fiscal year 2018-2019;
- (4) Requires the use of a portion of the transient accommodations tax revenues to supplement deficient county public employer contribution amounts commencing with fiscal year 2018-2019;
- (5) Establishes a schedule to phase-in the annual required state public employer contribution requirement; and
- (6) Requires the Director of Finance to report to the 2014 Legislature on an implementation plan to have both the EUTF and the Employees' Retirement System (ERS) jointly share investment information and services for the benefit of the separate trust fund and to establish disbursement channels for county public employer contributions into the separate trust fund.

In addition, the Proposed S.D. 2 amends H.B. No. 546, H.D. 2, S.D. 1, by:

- (1) Increasing the size of the task force from twelve to sixteen members through the addition of four members selected by the Governor to represent county interests;

- (2) Clarifying that the private members of the task force shall be invited to participate on the task force; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

Your Committee received written comments and testimony on both the H.B. No. 546, H.D. 2, S.D. 1, that was received by your Committee and the Proposed S.D. 2 that was circulated for review and comment by your Committee.

Your Committee received written comments on H.B. No. 546, H.D. 2, S.D. 1 from the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund.

Your Committee received testimony in support of the Proposed S.D. 2 from the Department of Budget and Finance, the Department of Human Resources and Development, the Hawaii State Teachers Association-Retired, and one individual. Testimony in opposition to the Proposed S.D. 2 was received from the Department of Finance of the County of Hawaii and one individual. Comments were received from the Department of Human Resources of the City and County of Honolulu, the Board of Trustees of the Hawaii Employer-Union Health Benefits Trust Fund, the Tax Foundation of Hawaii, and one individual.

Your Committee believes that the State, much like what the counties have already done on the county level, must make a commitment toward pre-funding its other post-employment benefits (OPEB) plan costs for existing employees as well as contributing its full annual required contributions to pay down the existing unfunded liability attributable to its obligation to pay for existing retirees and their beneficiaries. Your Committee finds that the establishment of a task force is necessary to develop a comprehensive, well thought-out, and sustainable plan to resolve the issue of the unfunded liability of the EUTF.

After careful consideration, your Committee has adopted the Proposed S.D. 2 and has further amended it by:

- (1) Requiring the task force to also evaluate the current structure of public employers paying a percentage of health insurance policy premiums and providing recommendations for a benefits plan for prospective employees;
- (2) Requiring the Director of Finance to notify the Governor and the Legislature, in any fiscal year in which general excise tax revenues are deposited into the separate trust fund to supplement a state public employer's deficient contributions, on whether the general fund expenditure ceiling would have been exceeded if the general excise tax revenues had been legislatively appropriated;
- (3) Extending the deadline for the submission of the implementation plan regarding the joint sharing of investment information and services between the EUTF and the ERS to the Regular Session of 2015;
- (4) Appropriating unspecified amounts to the Department of Budget and Finance in fiscal biennium 2013-2015 for developing the implementation plan described in paragraph (4);
- (5) Changing the effective date to July 1, 2050, in order to facilitate continued discussion; 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 H.B. No. 546, 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. 546, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1381 (Majority) Ways and Means on H.B. No. 726**

The purpose and intent of this measure is to encourage the growth of the State's film and creative media industries.

The measure accomplishes this purpose by:

- (1) Amending the motion picture, digital media, and film production income tax credit by:
  - (A) Extending the sunset date of the tax credit from January 1, 2016, to January 1, 2023;
  - (B) Increasing the cap amount to \$12,000,000 per qualified production; and
  - (C) Changing the credit amount from fifteen per cent of qualified production costs to an unspecified amount in a county with a population over 700,000, and from twenty per cent of qualified production costs to an unspecified amount in a county with a population of 700,000 or less;
- (2) Establishing a tax credit for media infrastructure projects in West Oahu or the most populous island in a county with a population between 100,000 and 175,000, from July 1, 2013, to January 1, 2016;
- (3) Establishing the Hawaii film office special fund for management of media infrastructure project tax credits and related programs; and
- (4) Requiring the Department of Taxation to conduct a cost-benefit analysis and submit an annual report to the Legislature on the effectiveness of the media infrastructure project tax credit.

Your Committee received written comments in support of this measure from Island Film Group and a private individual.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism and the Tax Foundation of Hawaii.

Your Committee finds that new media infrastructure development is necessary to increase the growth of Hawaii's film industry. Your Committee believes that this measure provides an incentive for developing media infrastructure projects.



Your Committee has amended this measure by:

- (1) Extending the cutoff date to qualify for the media infrastructure project tax credit from January 1, 2016, to January 1, 2023;
- (2) Providing a definition for the term “base investment”;
- (3) Providing that the Department of Taxation shall collaborate with the Department of Business, Economic Development, and Tourism in preparing its annual report on the effectiveness of the media infrastructure project tax credit; 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. 726, 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. 726, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 1382 (Majority) Ways and Means on H.B. No. 1481**

The purpose of this measure is to increase equity in election campaign financing by reducing the influence of private funding.

Specifically, this measure, among other things:

- (1) Establishes a comprehensive public funding program for elections to the state House of Representatives, beginning with the 2016 elections; and
- (2) Appropriates funds, including staff resources, for fiscal years 2015-2016 and 2016-2017 to prepare for the public funding of candidates covered by this measure during the 2016 elections.

Your Committee received written comments in support of this measure from Common Cause Hawaii and thirty-three individuals.

Your Committee received written comments on this measure from the Campaign Spending Commission and one individual.

Your Committee finds that establishing a comprehensive public funding program would focus election campaigns on constituent needs and public issues by reducing the time spent by candidates on campaign fundraising. This measure will also reengage the citizenry in the democratic process by decreasing the influence of private contributions and ensuring that more candidates have sufficient funds to run competitive campaigns.

Your Committee has amended this measure by:

- (1) Requiring election candidates seeking eligibility for public funding to raise or spend an unspecified minimum amount of seed money used to determine the viability of the candidate’s campaign;
- (2) Amending the appropriation to include funds for the Campaign Spending Commission to hire an unspecified number of temporary, full-time equivalent positions to prepare for the implementation of this measure;
- (3) Correcting a statutory reference to clarify that the existing enforcement provisions under chapter 11, part XIII, subpart I, Hawaii Revised Statutes, apply to a candidate who is certified for comprehensive public funding but accepts contributions in violation of the public funding program;
- (4) Clarifying that the public funding reporting requirements of this measure are in addition to any other reporting requirements of the campaign finance law; and
- (5) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1481, 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. 1481, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, 1 (Slom). Excused, 2 (English, Kouchi).

**SCRep. 1383 Ways and Means on H.B. No. 65**

The purpose and intent of this measure is to ensure that the beneficiary in a prescription drug benefit plan has a choice of purchasing prescription drugs from either a mail-order pharmacy or a retail pharmacy.

Your Committee received written comments in support of this measure from the Hawaii Food Industry Association, the Hawaii Medical Association, the Kauai Chamber of Commerce, Molokai Drugs Inc., Walgreens, and several individuals. Your Committee received written comments in opposition to this measure from CVS Caremark Association and the Hawaii Medical Service Association. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs and one individual.

Your Committee finds that this measure is necessary to ensure that Hawaii continues to have a robust network of pharmacies to serve and provide choices to prescription drug benefit plan beneficiaries in the State.

Your Committee has amended this measure by:

- (1) Clarifying and defining the terms used in the measure;

- (2) Authorizing a beneficiary of any prescription drug benefit plan, including one enrolled in the Hawaii Employer-Union Health Benefits Trust Fund health benefits plan, to purchase prescription drugs from any pharmacy within the pharmacy benefit manager's retail pharmacy network;
- (3) Deleting language relating to the manipulation of drug co-payment amounts;
- (4) Prohibiting prescription drug benefit plan providers from prohibiting or restricting a pharmacy benefit manager from complying with the requirements of this measure;
- (5) Deleting binding arbitration as an alternative to judicial review;
- (6) Clarifying the entities that are required to submit a report to the Legislature and the scope of their reports;
- (7) Changing the effective date to July 1, 2050, to facilitate continued discussion; and
- (8) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 65, 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. 65, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kidani).

**SCRep. 1384 Ways and Means on H.B. No. 805**

The purpose and intent of this measure is to amend the Employees' Retirement System laws to comply with Internal Revenue Code requirements and vesting rules in order to maintain the System's status as a tax-qualified retirement plan.

Your Committee received written comments in support of this measure from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that, in 2009, the Employees' Retirement System submitted a request to the Internal Revenue Service to review and determine whether the language of its plan document, comprising the statutes and administrative rules governing the Employees' Retirement System, met the federal tax qualification requirements applicable to pension plans sponsored by state and local governments. Your Committee also finds that on March 21, 2012, the Employees' Retirement System received from the Internal Revenue Service a favorable determination letter approving the language of the plan document, on the condition that the State adopt certain amendments to chapter 88, Hawaii Revised Statutes. Your Committee further finds that this measure adopts the statutory amendments approved by the Internal Revenue Service, thus allowing the Employees' Retirement System to maintain its tax-exempt status.

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. 805, 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. 805, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1385 Ways and Means on H.B. No. 1396**

The purpose and intent of this measure is to support the preservation of Japanese-American history in the State.

More specifically, this measure:

- (1) Appropriates an unspecified amount to the University of Hawaii at West Oahu for the planning, design, and construction of the Nisei Veterans Legacy Center;
- (2) Requires the University of Hawaii at West Oahu to report to the 2014 Legislature on the status of the Nisei Veterans Legacy Center, including the status of public and private grants or donations;
- (3) Appropriates an unspecified amount to continue the work of the Honouliuli Park Site Advisory Group and requires the group to report to the 2014 Legislature, regarding recommendations to leverage funding for an educational resource center and the status of designating the camp site and associated sites as part of the United States National Park Service;
- (4) Conditions expenditure of all appropriations in the measure on the funds being matched by private or public grants or donations; and
- (5) Requires the Director of Finance to verify the value of any in-kind donation made for the purposes of the measure.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that this measure supports and facilitates the design and construction of the Nisei Veterans Legacy Center and the efforts of the Honouliuli Park Site Advisory Group to continue its work to preserve the Honouliuli Internment Camp site and develop an educational center and memorial.

Your Committee has amended this measure by:

- (1) Deleting the requirement for the Director of Finance to determine the value of in-kind donations; 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. 1396, 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. 1396, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1386 Ways and Means on H.B. No. 1298**

The purpose and intent of this measure is to establish an income tax credit for an employer that hires an individual with a disability.

The tax credit is equal to fifty per cent of the individual's qualified wages for the first six months that the individual is employed.

Your Committee received written comments in support of this measure from the Disability and Communication Access Board and the State Council on Developmental Disabilities.

Your Committee received written comments on this measure from the Department of Taxation.

Your Committee finds that the unemployment rate of people with disabilities in Hawaii is higher than the national average. Your Committee also finds that providing an incentive to hire individuals with disabilities facilitates the economic self-sufficiency of such individuals, allowing them to contribute to their communities as taxpaying citizens, establish relationships, and engage in social networking.

Your Committee has amended this measure by:

- (1) Requiring that the disabling impairment of an individual with a disability for which a tax credit is claimed be certified by a licensed physician;
- (2) Providing that the tax credit shall not be allowed for the hiring of an individual with a disability who was previously employed by the taxpayer;
- (3) Clarifying that the tax credit may be claimed for each individual with a disability that an employer hires;
- (4) Clarifying that the cap amount limits the amount of the tax credit that an employer may claim for each individual with a disability hired;
- (5) Clarifying that claims for the tax credit must be filed on or before the end of the twelfth month following the taxable year for which the credit may be claimed; 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 H.B. No. 1298, 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. 1298, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1387 Ways and Means on H.B. No. 1068**

The purpose and intent of this measure is to improve public awareness of services available to victims of human trafficking.

Specifically, this measure requires certain establishments to post on their premises a human trafficking poster that provides information on the National Human Trafficking Resource Center Hotline.

Your Committee received written comments in support of this measure from Courage House Hawaii, IMUAlliance, Tahiri Association, Pacific Alliance to Stop Slavery, and several individuals.

Your Committee received written comments in opposition to this measure from the Department of Labor and Industrial Relations.

Your Committee received written comments on this measure from Healthcare Association of Hawaii.

Your Committee finds that over the past three years, calls from Hawaii to the National Human Trafficking Resource Center have increased fourfold, indicating an escalation both in the amount of human trafficking taking place in the State and in state residents' awareness of human trafficking issues.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "establishment";
- (2) Adding a savings clause; and
- (3) Changing the effective date to July 1, 2050, to facilitate continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1068, 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. 1068, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1388 Ways and Means on H.B. No. 909**

The purpose and intent of this measure is to reduce infant mortality in the State.

The measure proposes to accomplish this objective by, among other things:

- (1) Establishing a comprehensive infant mortality reduction program within the Department of Health;
- (2) Appropriating funds to the Department of Health to:
  - (A) Fund epidemiological and planning activities related to infant mortality reduction;
  - (B) Collect and analyze Hawaii-specific infant mortality data; and
  - (C) Identify social determinants of health as they relate to infant mortality; and
- (3) Establishing a task force that is to be convened by the Department of Health to collect data about the number of elective pre-term pregnancy deliveries in Hawaii and whether Hawaii needs a point-of-care newborn screening program.

Your Committee received written comments in support of this measure from the Department of Health; the Executive Office on Early Learning; and the March of Dimes Foundation, Hawaii Chapter.

Your Committee received written comments on this measure from Kapiolani Medical Center for Women & Children.

Your Committee notes concerns that many aspects of the proposed comprehensive infant mortality reduction program are duplicative of policies already in practice at birthing facilities in the State. Your Committee further notes concerns that the motivation to establish a comprehensive infant mortality reduction program may be based upon the presumption that there are an excessive number of elective pre-term deliveries in the State. Your Committee believes that, at this time, it is appropriate to focus on the collection of factual information and updated statistics necessary to determine whether the number of elective pre-term deliveries in the State poses a public health threat to allow the Legislature to make an informed determination on whether a comprehensive infant mortality reduction program should be established.

Your Committee has amended this measure by:

- (1) Deleting the contents of this measure except the provisions establishing the task force;
- (2) Adding a purpose section;
- (3) Inserting an appropriation to reimburse members of the task force for travel and other expenses; 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. 909, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 909, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1389 Ways and Means on H.B. No. 799**

The purpose and intent of this measure is to encourage the growth of the State's film and digital media industries.

The measure seeks to accomplish this objective by:

- (1) Establishing a workforce development training program that provides wage reimbursement for on-the-job training by entities that receive a motion picture, digital media, and film production income tax credit;
- (2) Amending the motion picture, digital media, and film production income tax credit by:
  - (A) Amending the definition of "digital media" to delete the provision that excludes Internet-only distribution from the list of authorized methods of delivery;
  - (B) Clarifying the definition of "qualified production costs"; and
  - (C) Extending the sunset date of the tax credit to January 1, 2025; and
- (3) Appropriating funds for the workforce development training program.

Your Committee received written comments in support of this measure from Island Film Group.

Your Committee received written comments in opposition to this measure from a private individual.

Your Committee received written comments on this measure from the Department of Taxation and the Department of Business, Economic Development, and Tourism.

Your Committee finds that, in recent years, the film and digital media industries of the State have demonstrated great potential to bolster both the local economy and the State's primary industry of tourism. Your Committee believes that this measure will strengthen these industries by encouraging the development of a locally-trained creative media industry workforce.

Your Committee has amended this measure by:

- (1) Clarifying that, for the purposes of the workforce development training program, it is the production, rather than the production entity, that is prequalified by the Department of Business, Economic Development, and Tourism;
- (2) Clarifying that, for the purposes of the workforce development training program, the reference to the “director” is a reference to the Director of Labor and Industrial Relations; 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 H.B. No. 799, 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. 799, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Keith-Agaran, Thielen). Noes, none. Excused, 1 (English).

**SCRep. 1390 Ways and Means on H.B. No. 114**

The purpose and intent of this measure is to improve public accountability at the University of Hawaii.

More specifically, this measure:

- (1) Requires all University of Hawaii procurements for construction, including consultant services, to be subject to the control of, and performed by, the Department of Accounting and General Services;
- (2) Requires the Administrator of the State Procurement Office to submit a report to the Legislature on the transparency, efficiency, and compliance of the University of Hawaii’s procurement of construction contracts and construction-related consultant services; and
- (3) Establishes an independent audit committee within the Board of Regents of the University of Hawaii.

Your Committee received written comments in opposition to this measure from two individuals.

Your Committee received written comments on this measure from the Department of Accounting and General Services, the State Procurement Office, and the Office of Internal Audit of the University of Hawaii.

Your Committee finds that the prudent and transparent management of public funds by the University of Hawaii is a matter of statewide concern.

Your Committee has amended this measure by:

- (1) Amending section 304A-2672 instead of section 304A-105, Hawaii Revised Statutes, regarding procurements, to further specify that the procurements will be supervised, rather than controlled and performed, by the Department of Accounting and General Services, and that the supervision will be for construction-related procurements other than repair and maintenance or continuing ongoing university projects;
- (2) Making a conforming amendment to section 103D-203, Hawaii Revised Statutes, to identify the chief procurement officer for procurements for construction as provided under section 304A-2672, Hawaii Revised Statutes;
- (3) Statutorily placing the independent audit committee in its own subpart in part I of chapter 304A, rather than in the existing subpart A in part I of chapter 304A, Hawaii Revised Statutes;
- (4) Clarifying provisions relating to internal audit services, whistleblower protections, and annual audits;
- (5) Appropriating funds to the Department of Accounting and General Services for additional staff positions;
- (6) Changing the effective date to July 1, 2050, to facilitate continued discussion; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 114, 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. 114, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1391 Ways and Means on H.B. No. 1071**

The purpose and intent of this measure is to reconstitute the form and processes of the entity responsible for nominating candidates who would be eligible to be appointed to serve on the Board of Regents of the University of Hawaii.

More specifically, this measure, among other things:

- (1) Repeals provisions relating to the Regents Candidate Advisory Council and establishes the Candidate Advisory Council in its place, specifies its functions and responsibilities with respect to qualifying and selecting potential candidates for nomination to the Board of Regents, and temporarily places the Advisory Council in the Office of the Governor;
- (2) Provides that Candidate Advisory Council members are appointed by the Governor, the Speaker of the House of Representatives, and the President of the Senate and specifies that the term of each member will be for the duration of the term of the member’s appointing authority;

- (3) Requires the Governor to select the chairperson of the Candidate Advisory Council; and
- (4) Specifies criteria for the Senate to consider in determining whether to confirm the Governor's nominees to the Board of Regents.

Your Committee received written comments in opposition to this measure from the Regents Candidate Advisory Council for the Board of Regents of the University of Hawaii.

Your Committee finds that the existing Regents Candidate Advisory Council for the Board of Regents of the University is responsible for providing the Governor with a list of qualified candidates from which the Governor must select a nominee to fill a vacancy on the Board of Regents. Your Committee believes that the present process of selecting Board of Regents candidates may have discouraged qualified candidates from applying for membership on the Board of Regents. This measure is necessary to ensure that the entity that qualifies and selects candidates for nomination to the Board of Regents selects qualified candidates in a comprehensive, transparent, well-balanced, and merit-based manner.

Your Committee has amended this measure by:

- (1) Specifying that the appointing authority for the student member is the Governor;
- (2) Adding provisions for holdover members and the filling of vacancies for unexpired terms;
- (3) Clarifying that each member serves for the remaining duration of the term of the member's appointing authority; and
- (4) Changing the effective date to July 1, 2050, to promote continued discussion.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1071, 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. 1071, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1392 (Majority) Ways and Means on H.B. No. 70**

The purpose and intent of this measure is to encourage economic growth and development in the State.

Specifically this measure:

- (1) Extends the sunset date of the High Technology Innovation Corporation from 2013 to 2018;
- (2) Changes the membership of the board of directors of the High Technology Innovation Corporation to nine voting members, including adding two board members from the private business sector, one to be appointed by the Speaker of the House of Representatives and one to be appointed by the President of the Senate;
- (3) Establishes the Executive Director and Chief Executive Officer of the High Technology Development Corporation as the chairperson of the board of directors of the High Technology Innovation Corporation;
- (4) Requires the board of directors of the High Technology Innovation Corporation to select its president;
- (5) Provides that the terms of the current board members of the High Technology Development Corporation shall expire upon enactment of the measure;
- (6) Establishes the Public-Private Partnership Authority as a public body corporate and politic and instrumentality and agency of the State to be placed within the Department of Business, Economic Development, and Tourism for administrative purposes;
- (7) Specifies the membership of the board of directors of the Public-Private Partnership Authority and requires the board to appoint an executive director;
- (8) Establishes the powers of the Public-Private Partnership Authority, and authorizes the Authority to develop plans and implement projects on behalf of other public agencies, including entering into cooperative agreements with public agencies or qualified private parties;
- (9) Authorizes the transfer of management rights of projects or properties from public agencies to the Public-Private Partnership Authority;
- (10) Requires the Public-Private Partnership Authority to submit an annual report to the Governor and the Legislature;
- (11) Requires revenues generated by or on behalf of the Public-Private Partnership Authority from public-private partnership projects and plans to be deposited into the general fund;
- (12) Following the adoption of administrative rules, requires the Public-Private Partnership Authority to initiate three pilot projects, specifically:
  - (A) A film production facility on state lands on the most populous island of a county with a population between one hundred thousand and one hundred seventy-five thousand;
  - (B) A main-street project on state lands in Wahiawa in the City and County of Honolulu; and
  - (C) One county-initiated project; and
- (13) Makes an appropriation of an unspecified amount from the general fund for the establishment and operation of the Public-Private Partnership Authority and funding of an unspecified number of staff positions.

Written comments in support of this measure were submitted by the High Technology Development Corporation, High Technology Innovation Corporation, Hawaii Strategic Development Corporation, and Masons Union Local 1 and 630.

Written comments in opposition to this measure were submitted by Tropical Orchid Farm, Inc., Unite Here Local 5, and twelve individuals.

Written comments on this measure were submitted by the Department of Business, Economic Development, and Tourism; Office of Hawaiian Affairs; Hawaii's Thousand Friends; and one individual.

Your Committee finds that the High Technology Innovation Corporation costs the State no money to operate, while providing the State with a means to facilitate growth in high-technology sectors and to receive tax deductible donations. Your Committee believes that the changes to the board of directors and leadership structure made by this measure will improve the operations of the Corporation.

Your Committee further finds that the establishment of the Public-Private Partnership Authority will facilitate cooperation between public and private entities to develop underutilized public resources. Your Committee further believes that the three pilot projects to be undertaken by the Authority will demonstrate the potential for these public-private partnerships to produce financial returns for the State. Furthermore, your Committee notes the concerns of the Office of Hawaiian Affairs and intends for the Public-Private Partnership Authority to comply with all constitutional and statutory requirements to remit a pro-rata portion of public land trust revenues to the Office of Hawaiian Affairs.

Your Committee has amended this measure by:

- (1) Clarifying that the definition of "project" includes certain actions relating to energy generation facilities;
- (2) Clarifying that the terms of all currently appointed members of the High Technology Innovation Corporation, board, not the High Technology Development Corporation, shall expire upon the effective date of this measure;
- (3) Changing the effective date of this measure to July 1, 2050, to facilitate further discussion; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 70, 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. 70, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Slom). Noes, 2 (Ruderman, Thielen). Excused, 2 (English, Kouchi).

**SCRep. 1393 Ways and Means on H.B. No. 109**

The purpose and intent of this measure is to require newly created, replaced, or reprinted state and county letterheads, symbols, and emblems to contain accurate, appropriate, and authentic Hawaiian names and language.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs, Kuakini Hawaiian Civic Club of Kona, and one individual.

Your Committee finds that the Hawaiian language is one of the official languages of the State and that this measure encourages the ethically-mandated preservation of the Hawaiian language and culture.

Your Committee has amended this measure by:

- (1) Clarifying that the requirement of using accurate, appropriate, and authentic Hawaiian names and words in state and county letterheads only applies to Hawaiian names and words that are included in the letterhead;
- (2) Requiring the Department of Accounting and General Services to develop a procedure to verify that all Hawaiian names and words included in any state or county letterhead, symbol, or emblem are in conformance with any of the Hawaiian language resources designated by this measure;
- (3) Adding three new Hawaiian language resources to be used in determining the accuracy of Hawaiian names and words;
- (4) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (5) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 109, 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. 109, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1394 (Majority) Ways and Means on H.B. No. 115**

The purpose and intent of this measure is to address long-standing repair and maintenance needs at University of Hawaii campuses statewide.

More specifically, this measure:

- (1) Establishes the Campus Planning Facility Board, major repairs and replacement special fund, and major repairs and replacement fee to address the University of Hawaii's repair and maintenance needs;

- (2) Authorizes the issuance of general obligation bonds for fiscal years 2013-2014 and 2014-2015; and
- (3) Requires the following to be deposited into the major repairs and replacement special fund:
  - (A) Proceeds of the major repairs and replacement fee, which is five per cent of all gross revenues received by the University of Hawaii;
  - (B) Proceeds of the general obligation bonds issued for fiscal years 2013-2014 and 2014-2015;
  - (C) Ten per cent of the balances of all special funds of the University of Hawaii for fiscal years 2015-2016 and 2016-2017; and
  - (D) Appropriations, gifts, donations, and grants; and
- (4) Requires the University of Hawaii to:
  - (A) Conduct a financial and statutory review of:
    - (i) The impact of the deduction of five per cent of all gross revenues received by the University of Hawaii for deposit into the major repairs and replacement special fund; and
    - (ii) All university special funds to:
      - (a) Identify special funds that have either state or federal prohibitions against the transfer of ten per cent from the special funds into the major repairs and replacement special fund;
      - (b) Identify those special funds from which repair and maintenance projects are already funded; and
      - (c) Examine whether the special funds will have sufficient revenues to carry out their statutory purposes after the transfer of ten per cent from the special funds into the major repairs and replacement special fund; and
  - (B) Report its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that the University of Hawaii currently has a backlog of deferred repair and maintenance projects totaling over \$460,000,000. Your Committee also finds that simply complying with building code and health and safety requirements across all campuses of the University of Hawaii will cost over \$38,000,000 in fiscal year 2013-2014 and an additional \$38,000,000 in fiscal year 2014-2015. These costs do not include the additional \$50,000,000 to \$60,000,000 in annual repair and maintenance costs necessary to maintain all of the university campuses. Your Committee further finds that, in order to provide and maintain a safe and proper learning environment for eighty-five thousand students and faculty of the University of Hawaii, a dedicated source of funding for necessary repair and maintenance projects must be established.

Your Committee has amended this measure by:

- (1) Changing the major repairs and replacement fee from five per cent of all gross revenues received by the University of Hawaii to an unspecified amount;
- (2) Changing the ten per cent amount required to be transferred in fiscal years 2015-2016 and 2016-2017 from the balances of each special fund of the University of Hawaii to the major repairs and replacement special fund to unspecified percentages; and
- (3) Providing that the major repairs and replacement fee shall be deducted from gross revenues and deposited into the major repairs and replacement special fund at the beginning of each fiscal quarter, rather than at the end of each fiscal year.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, 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. 115, H.D. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, 1 (Slom). Excused, none.

**SCRep. 1395 Ways and Means on H.B. No. 266**

The purpose and intent of this measure is to establish the statewide language access resource center and a multilingual website pilot project.

Specifically, this measure:

- (1) Requires the Office of Language Access to:
  - (A) Implement a multilingual website pilot project to explore creating a website to improve access to information on government and government-funded services for persons with limited English proficiency; and to the extent feasible, create a multilingual website for use by the public; and
  - (B) Administer a statewide language access resource center; and
- (2) Appropriates funds for the pilot project and the statewide language access resource center.

Your Committee received written comments in support of this measure from the Department of Human Resources Development; the Office of Language Access-Department of Labor and Industrial Relations; General Immigration Services, Catholic Charities



Hawaii; Congress of Visayan Organizations; Hawaii Interpreter Action Network; National Association of Judiciary Interpreters & Translators; and one individual. One individual submitted written comments in opposition to this measure. The Hawaii Civil Rights Commission submitted written comments on this measure.

Your Committee finds that many people do not take advantage of government and government-funded services solely due to their limited proficiency in English. This, in turn, prevents those people from contributing to the community and living up to their full potential. Establishing a statewide language access resource center and a multilingual website will address the lack of a comprehensive and central system to identify qualified interpreters and language translators in the State, increase the number of qualified interpreters and translators, and help individuals with limited English proficiency to access government information in their own language.

Your Committee has amended this measure by:

- (1) Providing that the listing of the qualifications and credentials of language interpreters and translators, on the roster maintained by the Office of Language Access, be based upon guidelines established by the Office in consultation with the Language Access Advisory Council;
- (2) Changing all appropriations in the measure to unspecified amounts; 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 H.B. No. 266, 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. 266, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (English).

**SCRep. 1396 Ways and Means on H.B. No. 353**

The purpose and intent of this measure is to appropriate funds to control and contain damage caused by the coffee berry borer and for research to develop new methods of preventing and treating infestations.

More specifically, this measure:

- (1) Makes an appropriation of \$500,000 out of the agricultural development and food security special fund to the United States Pacific Basin Agricultural Research Center to research and develop methods for the prevention and treatment of coffee berry borer infestations; and
- (2) Makes an appropriation of \$330,000 out of the agricultural development and food security special fund to the Coffee Berry Borer Task Force to fund efforts to control and mitigate the damage from the coffee berry borer infestation in Hawaii.

Your Committee received written comments in support of this measure from the Beautiful Edge of the World B&B and Coffee Farm; Daily Fix Coffee; Dysart Farms; Hala Tree Coffee Plantation; Hawaii Coffee Association; Hawaii Farm Bureau Federation; Hoogasian Flowers, Inc.; Kaiwi Farms; Kanalani Ohana Farm; Kona Coffee Council; Kona County Farm Bureau; Kona Coffee Farmers Association; Hawaii Farmers Union United, Kona Chapter; Kona View Coffee; Konaloha Farms; Luther Coffee Farm; Onouli Farm, LLC; Manila Extract; Makua Coffee Company; Mauka Meadows Coffee Farm; Moki's Farm; Ohana Farm Orchards; Original Hawaiian Chocolate Factory; Athena of Hawaii Coffee, LLC; Paradise Found Farm; Rancho Aloha; Smithfarms; and twenty-two private individuals.

Your Committee finds that coffee is the fourth largest agricultural crop in the State and is a highly valued commodity in Hawaii's economy. Your Committee also finds that, in recent years, the coffee berry borer, a small beetle that is harmful to coffee crops worldwide, has infested coffee crops in the Kona and South Kona regions. The coffee berry borer has the potential to spread to coffee grown in other areas of the State, thus threatening devastation to Hawaii's entire coffee industry. Your Committee believes that funding efforts to control and contain the damage caused by the coffee berry borer and to develop new methods of preventing and treating infestations are critical to ensure the survival of the coffee farms in the State.

Your Committee has amended this measure by:

- (1) Changing the amounts of the appropriations to unspecified amounts;
- (2) Changing the funding source of the appropriations from the agricultural development and food security special fund to the general revenues of the State;
- (3) Appropriating funds to the Department of Agriculture, rather than the United States Pacific Basin Agricultural Center, to research methods to prevent and treat coffee berry borer infestations and specifying that the funds shall not be expended unless matched by an unspecified amount from private or other government sources;
- (4) Appropriating funds to the University of Hawaii, rather than the Coffee Berry Borer Task Force, to fund efforts to control and mitigate the damage from coffee berry borer infestations;
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion; 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 H.B. No. 353, 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. 353, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (Kahele, Thielen).

**SCRep. 1397 Ways and Means on H.B. No. 450**

The purpose and intent of this measure is to support the creation and development of hydrogen fueling stations in the State.

More specifically, this measure:

- (1) Requires the Department of Business, Economic Development, and Tourism to establish a hydrogen fueling station demonstration project in counties with a population of not less than one hundred seventy thousand residents;
- (2) Requires the department to submit annual reports to the Legislature at least twenty days prior to the convening of the Regular Sessions of 2014 through 2018; and
- (3) Appropriates \$3,500,000 for each year of the 2013-2015 fiscal biennium to the Department of Business, Economic Development, and Tourism for the establishment of hydrogen fueling station demonstration projects.

Your Committee received written comments in support of this measure from General Motors, the Hawaii Automobile Dealers Association, and one individual.

Your Committee received written comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the mass production and arrival of hydrogen fuel cell vehicles is anticipated as early as the year 2015 and that access to hydrogen fueling stations may discourage consumers in the State from purchasing these vehicles. Your Committee finds that this measure commences the process of preparing and developing the necessary fueling stations for hydrogen fuel cell vehicles and supports the State's clean energy initiative.

Your Committee has amended this measure by:

- (1) Designating the High Technology Development Corporation as the agency responsible for establishing and operating the hydrogen fueling station demonstration project;
- (2) Requiring the High Technology Development Corporation to consult with existing projects to determine the design and implementation of the demonstration project;
- (3) Clarifying that the High Technology Development Corporation shall report annually on the status of the demonstration project; and
- (4) Changing the appropriation to an unspecified amount to facilitate continuing 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. 450, 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. 450, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 8; Ayes with Reservations (Slom). Noes, none. Excused, 5 (Keith-Agaran, Kidani, Kouchi, Ruderman, Thielen).

**SCRep. 1398 (Majority) Ways and Means on H.B. No. 487**

The purpose and intent of this measure is to provide economic and other support to the State's agriculture industry:

Specifically, the measure:

- (1) Expands the livestock revitalization program by, among other things:
  - (A) Providing subsidies for feed used in the production of goat's milk, sheep, lamb, fish, and crustaceans;
  - (B) Reducing the minimum flock or herd size necessary for a producer to qualify for the livestock subsidy;
  - (C) Providing grants to qualified feed developers; and
  - (D) Appropriating funds to the livestock revitalization program; and
- (2) Facilitates leases between the Department of Agriculture and the Agribusiness Development Corporation by:
  - (A) Authorizing the Department of Agriculture to directly negotiate and enter into leases with the Agribusiness Development Corporation; and
  - (B) Exempting the Agribusiness Development Corporation from non-agricultural park lands lease qualifications.

Your Committee received written comments in support of this measure from 4 Ag Hawaii; Hawaii Cattlemen's Council, Inc.; Wong's Meat Market, Ltd.; Hawaii Farm Bureau Federation; Pono Ranch, Ltd.; Mikilua Poultry Farm, Inc.; Hawaii Aquaculture and Aquaponics Association; and four private individuals.

Your Committee received written comments in opposition to this measure from Puna Pono Alliance and ten private individuals.

Your Committee finds that, in recent years, numerous dairies and egg farms in the State have closed down, due primarily to the rising cost of feed for livestock production. Your Committee believes that providing a subsidy for feed development and costs will revitalize Hawaii's livestock industries and help the State meet its food security goals.

Your Committee also finds that the Agribusiness Development Corporation was established to make optimal use of agricultural assets for the economic, environmental, and social benefit of the people of Hawaii. Your Committee believes that facilitating leases between the Department of Agriculture and the Agribusiness Development Corporation will assist in developing the long-term productive use of public lands for agricultural purposes.

Your Committee has amended this measure by:

- (1) Amending the definition of “qualified producer” to include goat meat producers;
- (2) Amending the minimum flock or herd size requirements to qualify for the subsidy to include an unspecified number of sheep, lambs, or goats raised for meat;
- (3) Specifying that producers who qualify for the subsidy shall be reimbursed for up to:
  - (A) Fifty per cent of the feed costs for sheep, lambs, or goats raised in Hawaii and slaughtered in Hawaii for local consumption; or
  - (B) Fifty per cent of the feed costs for fish or crustaceans raised in Hawaii and processed in Hawaii for local consumption;
- (4) Specifying that costs shall not be reimbursed to a qualified producer if the reimbursement will result in an annual profit of more than:
  - (A) Eight per cent for sheep, lamb, or goat meat producers; or
  - (B) Eight per cent for fish or crustacean producers; 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. 487, 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. 487, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11; Ayes with Reservations (Ruderman, Thielen). Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1399 Ways and Means on H.B. No. 560**

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority to encourage the development of housing projects that incorporate urban gardening programs.

Your Committee received written comments in support of this measure from the Kohala Center-Hawaii Island School Garden Network and four individuals.

Your Committee finds that urban gardening programs will help to improve sustainability, increase food self-sufficiency, and provide those living in housing projects with life skills.

Your Committee has amended this measure by:

- (1) Codifying the enabling provisions of this measure in the respective chapters of the Hawaii Revised Statutes governing the Hawaii Housing Finance and Development Corporation and the Hawaii Community Development Authority; and
- (2) Changing the effective date to July 1, 2050, to encourage further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 560, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 560, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1400 (Majority) Ways and Means on H.B. No. 634**

The purpose and intent of this measure is to maintain employment levels in the case of a divestiture by a successor employer.

More specifically, this measure provides that in the event of a divestiture of a covered establishment that employed not less than one hundred persons at any time in the preceding twelve months, the successor employer:

- (1) Shall hire all incumbent non-supervisory and non-confidential employees; provided that the successor employer may retain less than all of the incumbent employees if the business of the successor employer is substantially dissimilar to the former employer’s business or if the need for employees is less;
- (2) Shall not require incumbent employees to file employment applications with the successor employer as a prerequisite to be considered for hire, unless existing employee files are incomplete; and
- (3) May conduct pre-hire screening of the incumbent employees not prohibited by law, including criminal conviction record checks and substance abuse testing.

Your Committee received written comments in support of this measure from the Department of Labor and Industrial Relations; the Hawaii Government Employees Association; the Hawaii Laborers’ Union; the Hawaii State AFL-CIO; and one concerned individual.

Your Committee received written comments in opposition to this measure from the General Contractors Association of Hawaii; the Hawaii Automobile Dealers Association; Island Princess; and three concerned individuals.

Your Committee finds that the divestiture of a business often causes heightened anxiety for incumbent employees due to the lack of job security and disruptions to the local economy. This measure would provide job security to employees and minimize disruptions during a divestiture of a covered establishment by requiring the successor employer to retain all incumbent non-supervisory and non-confidential employees, subject to certain exceptions.

Your Committee has amended this measure by:

- (1) Adding an appropriation of an unspecified amount for the Department of Labor and Industrial Relations to implement this measure; 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. 634, 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. 634, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Chun Oakland, Dela Cruz, English, Espero, Kahele, Kouchi). Noes, 3 (Ruderman, Thielen, Slom). Excused, 1 (Kidani).

**SCRep. 1401 Ways and Means on H.B. No. 152**

The purpose and intent of this bill is to increase the cap on charges used by the Director of Labor and Industrial Relations to establish the workers' compensation medical fee schedule, from one hundred ten per cent to one hundred thirty per cent of the Medicare Resource Based Relative Value Scale.

Your Committee prepared and heard a proposed Senate Draft 2 (S.D. 2), which replaced the contents of the bill as received, and required the Auditor to conduct a study of the workers' compensation fee schedule.

Testimony in support of the proposed S.D. 2 was submitted by the Hawaii Insurers Council. Testimony in opposition was submitted by GEICO. Comments were received from the Department of Commerce and Consumer Affairs and the Department of Human Resources of the City and County of Honolulu.

After consideration of the testimony, your Committee has amended the measure by replacing its contents with provisions that:

- (1) Require the Auditor to assist the Director of Labor and Industrial Relations in administratively adjusting the medical fee schedule by:
  - (A) Identifying:
    - (i) Those medical or health care services or procedures for which fee adjustments are necessary to ensure that injured employees have better access to treatment; and
    - (ii) A methodology for conducting the statistically valid surveys of prevailing charges that are necessary for adjustment of the fees; and
  - (B) Recommending adjusted fees to the Director after applying the methodology;
- (2) Make available to the Director a limited opportunity to expedite the adjustment of fees identified by the Auditor; and
- (3) Require the Auditor to recommend to the Director and Legislature a formalized process for the mandatory periodic review of the adequacy of the medical fee schedule.

Your Committee finds that the administrative adjustment of fees on a case-by-case basis, depending upon need, is preferable public policy to an across-the-board increase by legislative action. Your Committee recognizes that the issue of the workers' compensation medical fee schedule is complex and believes that it does not presently have sufficient understanding of the consequences that could flow from an across-the-board increase, as contemplated by this measure as received. Accordingly, your Committee initially proposed a study by the Auditor.

However, having found the testimony of injured employees particularly persuasive, your Committee has rejected the study approach taken by the proposed S.D. 2. Rather, your Committee has determined that action, based upon careful evaluation, is necessary, rather than an Auditor's study.

Your Committee believes that the measure, as amended, establishes a substantive opportunity for the adjustment of medical or health care fees and also provides medical and health care service providers with the opportunity to participate in a fee adjustment process that is not currently available under existing law. Your Committee understands that the Director of Labor and Industrial Relations presently feels constrained in using the Director's existing authority to administratively adjust fees on a broad scale. Your Committee believes that this measure provides the assistance the Director of Labor and Industrial Relations needs to make the necessary adjustments.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 152, 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. 152, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 1402 Ways and Means on H.B. No. 536**

The purpose and intent of this measure is to prohibit the Hawaii Public Housing Authority from selecting a housing applicant if the applicant or a household member of the applicant owns or acquires a home within the State.

This measure also authorizes the Authority to terminate the tenancy of a current tenant if the tenant or a household member owns or acquires a home within the State.

In addition, this measure makes a conforming amendment to add a reference to "widower" to clarify that a widower is entitled to the same preference as presently allowed to a widow of a deceased veteran who was permanently disabled by ten per cent or more.

Your Committee finds that the Hawaii Public Housing Authority does not have the statutory authority to deny a housing application by an otherwise qualified applicant if the applicant or a household member owns a home. Similarly, existing law does not permit the Hawaii Public Housing Authority to evict a current tenant who owns or acquires a home. Your Committee believes this measure will help ensure that tenants with the greatest need are selected for, and permitted to remain in, shelter provided by the Hawaii Public Housing Authority.

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 H.B. No. 536, 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. 536, H.D. 1, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, none. Excused, 2 (English, Kouchi).

**SCRep. 1403 (Majority) Ways and Means on H.B. No. 980**

The purpose and intent of this measure is to improve highway safety for drivers and pedestrians.

More specifically, this measure prohibits the use of cellular phones and other mobile electronic devices while operating a motor vehicle, with certain exceptions, including use:

- (1) To make 911 communications;
- (2) Of a hands-free mobile electronic device by a person over 18 years of age; and
- (3) By emergency responders, commercial fleet vehicle drivers, and licensed amateur radio operators using half-duplex two-way radios.

The prohibition established by this measure would also supersede similar county ordinances.

This measure also establishes fines for violations, including doubled fines for violators in school zones and construction areas, while providing that violators shall not be deemed traffic infractors under section 291D-2, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from AAA Hawaii; the Property Casualty Insurers Association of America; and three concerned individuals.

Your Committee received written comments in opposition to this measure from one concerned individual.

Your Committee received written comments on this measure from the Alliance of Automobile Manufacturers.

Your Committee finds that drivers distracted by the use of a cellular phone or other mobile electronic device is a rampant problem across the country, including in Hawaii. Drivers distracted by use of these electronic devices pose a risk of harm to the driver and others in the vehicle or on the road. In 2008, approximately sixteen per cent of all fatal crashes involved a distracted or inattentive driver. This measure would greatly increase safety on public highways by prohibiting the use of these distracting items.

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. 980, 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. 980, H.D. 2, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Slom). Excused, 1 (English).

**SCRep. 1404 (Joint) Human Services and Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 157**

The purpose and intent of this measure is to urge the State to adopt the United Nations Convention on the Rights of Persons with Disabilities and the United States Senate to ratify the Convention.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, United States International Council on Disabilities, Hawaii Disability Rights Center, Hawaii Institute for Human Rights, Community Alliance for Mental Health, and two individuals.

Your Committees find that the Convention on the Rights of Persons with Disabilities is an international human rights instrument of the United Nations intended to protect the rights and dignity of persons with disabilities. The Convention has served as the major

catalyst in the global movement from viewing persons with disabilities as objects of charity, medical treatment, and social protection toward viewing them as full and equal members of society, with human rights.

Your Committees have amended this measure by:

- (1) Deleting language related to the State adopting the United Nations Convention on the Rights of Persons with Disabilities;
- (2) Deleting certain findings and adding new findings about the Convention on the Rights of Persons with Disabilities and the Americans with Disabilities Act; and
- (3) Amending the title accordingly; and
- (4) 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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs 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.

Human Services

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

Transportation and International Affairs

Ayes, 8; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 1405 (Joint) Human Services and Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs on S.R. No. 115**

The purpose and intent of this measure is to urge the State to adopt the United Nations Convention on the Rights of Persons with Disabilities and the United States Senate to ratify the Convention.

Your Committees received testimony in support of this measure from the State Council on Developmental Disabilities, United States International Council on Disabilities, Hawaii Disability Rights Center, Hawaii Institute for Human Rights, Community Alliance for Mental Health, and two individuals.

Your Committees find that the Convention on the Rights of Persons with Disabilities is an international human rights instrument of the United Nations intended to protect the rights and dignity of persons with disabilities. The Convention has served as the major catalyst in the global movement from viewing persons with disabilities as objects of charity, medical treatment, and social protection toward viewing them as full and equal members of society, with human rights.

Your Committees have amended this measure by:

- (1) Deleting language related to the State adopting the United Nations Convention on the Rights of Persons with Disabilities;
- (2) Deleting certain findings and adding new findings about the Convention on the Rights of Persons with Disabilities and the Americans with Disabilities Act; and
- (3) Amending the title accordingly; and
- (4) 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 Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 115, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 115, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Human Services

Ayes, 3; Ayes with Reservations (Slom). Noes, none. Excused, 2 (Kidani, Taniguchi).

Transportation and International Affairs

Ayes, 8; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 1406 (Majority) Commerce and Consumer Protection on S.C.R. No. 16**

The purpose and intent of this measure is to encourage the State to support the efforts of the Hawaii Health Care Project and the Hawaii Health Information Exchange to implement an integrated, technology-based healthcare information system.

Your Committee received testimony in support of this measure from the Department of Health, Hawai'i Pacific Health, and Hawai'i Health Information Exchange.

Your Committee finds that a more coordinated and timely sharing of appropriate medical records exchanged in a secure manner will help prevent and manage obesity in Hawaii's population. This measure requests cooperation amongst state agencies, the Hawaii Health Care Project, and the Hawaii Health Information Exchange and supports the efforts of a public-private partnership to include those with shared interests in providing data and receiving data through the system. Your Committee further finds that these efforts will improve the efficiency of access to a patient's healthcare information, thereby improving the overall efficiency and quality of patient care in Hawaii.

Your Committee has amended this measure by:

- (1) Making a technical, nonsubstantive amendment to the title for the purposes of clarity and consistency; and
- (2) 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 Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 16, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 16, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Taniguchi, Wakai).

**SCRep. 1407 Commerce and Consumer Protection on S.C.R. No. 94**

The purpose and intent of this measure is to request the Professional and Vocational Licensing Division to convene a working group to consider streamlining or consolidating any of the licensing boards and commissions within the purview of the Division.

Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Professional and Vocational Licensing Division is responsible for forty-eight licensing areas, including twenty-five licensing boards and commissions and twenty-three licensing programs. In order to ensure the optimal use of the Division's resources and licensing fees and better address issues, concerns, and changes in the professions and vocations regulated or licensed by the State, this measure requests the Division to convene a working group to consider streamlining or consolidating any of the Division's licensing boards and commissions.

Your Committee further finds that the Office of the Auditor has the requisite skills and expertise to conduct reviews similar to the one proposed by this measure. Your Committee concludes that it would be more effective for the Auditor to conduct a review and make recommendations about streamlining and consolidating certain licensing areas, rather than requiring the Professional and Vocational Licensing Division to convene a working group on this topic. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Requesting the Auditor to conduct a review of the Professional and Vocational Licensing Division's forty-eight licensing areas and recommend whether any of the licensing boards, commissions, or programs or their administrative functions could be streamlined or consolidated, rather than requesting the Division to convene a working group;
- (2) Requesting the Auditor to work with the Licensing Administrator and the Executive Officers of the Professional and Vocational Licensing Division, seek input from certain professions and vocations, and explore how other states approach the professional and vocational licensing process;
- (3) Requesting the Auditor to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (4) Amending the list of individuals receiving a certified copy of this measure;
- (5) Clarifying the findings to reflect the amended purpose of this measure; and
- (6) Amending the title for accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee 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, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1408 Commerce and Consumer Protection on S.R. No. 60**

The purpose and intent of this measure is to request the Professional and Vocational Licensing Division to convene a working group to consider streamlining or consolidating any of the licensing boards and commissions within the purview of the Division.

Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that the Professional and Vocational Licensing Division is responsible for forty-eight licensing areas, including twenty-five licensing boards and commissions and twenty-three licensing programs. In order to ensure the optimal use of the Division's resources and licensing fees and better address issues, concerns, and changes in the professions and vocations regulated or licensed by the State, this measure requests the Division to convene a working group to consider streamlining or consolidating any of the Division's licensing boards and commissions.

Your Committee further finds that the Office of the Auditor has the requisite skills and expertise to conduct reviews similar to the one proposed by this measure. Your Committee concludes that it would be more effective for the Auditor to conduct a review and make recommendations about streamlining and consolidating certain licensing areas, rather than requiring the Professional and Vocational Licensing Division to convene a working group on this topic. Therefore, amendments to this measure are necessary.

Accordingly, your Committee has amended this measure by:

- (1) Requesting the Auditor to conduct a review of the Professional and Vocational Licensing Division's forty-eight licensing areas and recommend whether any of the licensing boards, commissions, or programs or their administrative functions could be streamlined or consolidated, rather than requesting the Division to convene a working group;
- (2) Requesting the Auditor to work with the Licensing Administrator and the Executive Officers of the Professional and Vocational Licensing Division, seek input from certain professions and vocations, and explore how other states approach the professional and vocational licensing process;
- (3) Requesting the Auditor to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014;
- (4) Amending the list of individuals receiving a certified copy of this measure;
- (5) Clarifying the findings to reflect the amended purpose of this measure; and
- (6) Amending the title for accuracy.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 60, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 60, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Solomon, Slom).

**SCRep. 1409 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.C.R. No. 136**

The purpose and intent of this measure is to request the Mayor and Council of the City and County of Honolulu to honor "General" John Rogers for his dedicated service to his country and Hawaii.

Your Committees received testimony in support of this measure from three individuals.

Your Committees find that "General" John H. Rogers, Jr., served his country and attained the rank of Army Master Sergeant. Your Committees further find that "General" Rogers established orphanages and safe houses for American-Asian children who had been living as beggars on the streets of Vietnam. This measure encourages the placement of a plaque on the corner of Kalakaua Avenue and Kapiolani Boulevard, where on many mornings "General" Rogers waved a U.S. flag to remind others of the ideals and compassionate acts for which America stands.

Your Committees have amended this measure by:

- (1) Making technical, nonsubstantive amendments for the purposes of clarity and consistency; and
- (2) Changing the title accordingly to reflect these amendments.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 136, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 136, S.D. 1.

Signed by the Chairs on behalf of the Committees.  
Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1410 (Joint) Public Safety, Intergovernmental and Military Affairs and Technology and the Arts on S.R. No. 97**

The purpose and intent of this measure is to request the Mayor and Council of the City and County of Honolulu to honor "General" John Rogers for his dedicated service to his country and Hawaii.

Your Committees received testimony in support of this measure from three individuals.

Your Committees find that "General" John H. Rogers, Jr., served his country and attained the rank of Army Master Sergeant. Your Committees further find that "General" Rogers established orphanages and safe houses for American-Asian children who had been living as beggars on the streets of Vietnam. This measure encourages the placement of a plaque on the corner of Kalakaua Avenue and Kapiolani Boulevard, where on many mornings "General" Rogers waved a U.S. flag to remind others of the ideals and compassionate acts for which America stands.

Your Committees have amended this measure by:

- (1) Making technical, nonsubstantive amendments for the purposes of clarity and consistency; and
- (2) Changing the title accordingly to reflect these amendments.



As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 97, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 97, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1411 Commerce and Consumer Protection on H.C.R. No. 3**

The purpose and intent of this measure is to encourage Congress and the President of the United States to re-state that the federal Uniform Controlled Substances Act, which restricts the production, possession, and use of marijuana, does not prohibit the production of industrial hemp.

Your Committee received testimony in support of this measure from Alexander & Baldwin, Inc.; Vote Hemp; Hemp Cleans; and eight individuals.

Your Committee finds that the legislative history of the federal Uniform Controlled Substances Act and its predecessor the Marijuana Tax Act of 1937 indicates that Congress never intended to prohibit the production of industrial hemp. Industrial hemp is one of the more versatile, productive, and useful fiber plants and can be utilized in the manufacturing of several different construction and building related products. Your Committee further finds that the production of industrial hemp in Hawaii may provide an economic stimulus for the local production of various building and construction materials.

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

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 3, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 3, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Taniguchi, Wakai).

**SCRep. 1412 Transportation and International Affairs on Gov. Msg. No. 720**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I SISTER STATE COMMITTEE

G.M. No. 720 JUSTIN MICHAEL IKAIKA ANDERSON, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Justin Michael Ikaika Anderson to possess the requisite qualifications to be nominated to the Hawai'i Sister State Committee.

Your Committee received testimony in support of Justin Michael Ikaika Anderson from the Department of Business, Economic Development, and Tourism; Ko'olaupoko Hawaiian Civic Club; and three individuals.

Justin Michael Ikaika Anderson is a graduate of the Kamehameha Schools, and received Bachelor's degrees in journalism and political science from the University of Hawai'i at Manoa. He currently serves as a Councilmember for the City and County of Honolulu, where he is the Floor Leader and Chair of the Planning Committee, Vice Chair of the Zoning Committee, as well as a Member of the Budget Committee, Public Infrastructure Committee, and Executive Matters Committee. Mr. Anderson served previously as a Budget Analyst for the State House Finance Committee, where he was assigned to the Departments of Transportation, Defense, Labor and Industrial Relations, and Hawaiian Home Lands. He also has experience as Assistant Committee Clerk of the House Judiciary Committee.

Your Committee notes the personal statement of the nominee, which states, "I'd like to serve on the committee so that I can assist in forging cultural and economic relationships with other cities and municipalities that would be beneficial to our state and our people." He goes on to say, "it is my hope that the committee will aid in fostering new international working relationships while building on our existing relationships." Mr. Anderson worked to form a sister city relationship with the municipality of Majuro, drafting legislation officially recognizing the relationship and coordinating the signing ceremonies in Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 7. Noes, none. Excused, 2 (Kouchi, Solomon).

**SCRep. 1413 Commerce and Consumer Protection on Gov. Msg. No. 680**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF NURSING

G.M. No. 680 GLENDA TALL, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Glenda Tali to possess the requisite qualifications to be nominated to the State Board of Nursing.

Your Committee received testimony in support of the nomination of Glenda Tali from the Department of Commerce and Consumer Affairs, Healthcare Association of Hawaii, and eleven individuals.

Upon review of the testimony, your Committee finds that Ms. Tali's extensive experience, commitment to the nursing profession, and desire to contribute to the community qualify her for appointment to the State Board of Nursing as a licensee member. Your Committee notes that Ms. Tali has been in the health care profession for three decades, including twenty-six years as a Registered Nurse, sixteen years as a Nurse Practitioner, and twelve years as a nurse educator. Ms. Tali worked in Arizona, California, and American Samoa prior to relocating to Hawaii, where she now serves as the Campus College Chair for Nursing and Health Administration at the University of Phoenix's Hawaii campus. Ms. Tali is also active in various professional organizations, including the Healthcare Association of Hawaii; Association of Women's Health, Obstetric, and Neonatal Nurses; and Association of Healthcare Executives. Your Committee further finds that Ms. Tali is well qualified to serve on the State Board of Nursing and recommends her appointment to the State Board of Nursing based on her knowledge, experience, and dedication to the field of nursing and the public.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Wakai).

**SCRep. 1414 Commerce and Consumer Protection on Gov. Msg. No. 681**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PSYCHOLOGY

G.M. No. 681 SCOTT HASHIMOTO, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Scott Hashimoto to possess the requisite qualifications to be nominated to the Board of Psychology.

Your Committee received testimony in support of the nomination of Scott Hashimoto from the Department of Commerce and Consumer Affairs and one individual.

Upon review of the testimony, your Committee finds that Dr. Hashimoto's experience, dedication to his profession, and proven leadership on the Board of Psychology qualify him for reappointment to the Board of Psychology as a licensee member. Your Committee notes that Dr. Hashimoto is a clinical psychologist with a background in law who has worked in a variety of practice settings. Dr. Hashimoto has been a licensed psychologist in Hawaii since 2001, and currently works for the Department of Health Child and Adolescent Mental Health Division and as an adjunct faculty instructor at Argosy University. Dr. Hashimoto is a member of the American Psychological Association, Hawaii Psychological Association, and Board of Psychology, where he currently serves as Vice-Chairperson. Your Committee further finds that Dr. Hashimoto understands the role and responsibilities of the Board of Psychology and recommends that Dr. Hashimoto be reappointed to the Board of Psychology based on his knowledge, experience, and dedication to his profession and 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 (Solomon, Taniguchi, Wakai).

**SCRep. 1415 Commerce and Consumer Protection on Gov. Msg. No. 682**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF BARBERING AND COSMETOLOGY

G.M. No. 682 LYNNETTE MCKAY, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Lynnette McKay 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 Lynnette McKay from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Ms. McKay's background, experience, and desire to contribute to the community qualify her for appointment to the State Board of Barbering and Cosmetology as a licensee member. Your Committee notes that Ms. McKay has been a licensed cosmetologist in Hawaii for forty-six years and is currently an Assistant Professor of Cosmetology at Honolulu Community College. Ms. McKay is an active member of the National Cosmetology Association and the Hawaii State Cosmetology Association, where she has held several leadership positions, including past President. Your Committee further finds that Ms. McKay's extensive knowledge of the beauty industry will enable her to contribute a valuable perspective to the State Board of Barbering and Cosmetology and recommends her appointment to the Board based on her experience, commitment to her profession, and dedication to public service.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Wakai).

**SCRep. 1416 Higher Education on Gov. Msg. Nos. 703 and 704**

Recommending that the Senate advise and consent to the nominations of the following:

CENTER FOR NURSING ADVISORY BOARD

G.M. No. 703 ART GLADSTONE, for a term to expire 6-30-2017; and

G.M. No. 704 BARBARA KOOKER, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Art Gladstone and Barbara Kooker to possess the requisite qualifications to be nominated to the Center for Nursing Advisory Board.

ART GLADSTONE

Your Committee received testimony in support of the nomination of Art Gladstone from the Hawai'i State Center for Nursing and two individuals.

Your Committee finds that Mr. Gladstone is currently the Chief Operating Officer of Straub Clinic and Hospital. He also serves as the Vice-President and 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 President of the American Organization of Nurse Executives and a member of the Board of Directors of Legacy of Life Hawaii. He has also volunteered his time with the Juvenile Diabetes Research Foundation and Arthritis Foundation.

Mr. Gladstone is a current member of the Center for Nursing Advisory Board and serves on the Continuing Education Joint Advisory Subcommittee and the Director Search Advisory Committee.

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 continue to benefit the Center for Nursing Advisory Board.

BARBARA KOOKER

Your Committee received testimony in support of the nomination of Barbara Kooker from the Hawai'i State Center for Nursing; American Organization of Nurse Executives, Hawai'i Chapter; and five individuals.

Ms. Kooker is currently a Nurse Researcher at The Queen's Medical Center. Ms. Kooker served previously as a Professor and Director of the University of Hawaii School of Nursing and Dental Hygiene.

Ms. Kooker also served as the Interim Dean of the School of Nursing and Dental Hygiene. While serving as Interim Dean, Ms. Kooker was instrumental in establishing the Hawai'i State Center for Nursing.

Your Committee further finds that Ms. Kooker has extensive experience in the public and private sectors. She is a distinguished and well-published clinician, researcher, and nurse educator.

Ms. Kooker is a current member of the Center for Nursing Advisory Board, and your Committee believes that her collaborative spirit and dedication to the profession of nursing continue to make her an asset to the Center for Nursing Advisory Board.

As affirmed by the records of votes of the members of your Committee on Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1417 (Joint) Water and Land and Judiciary and Labor on S.C.R. No. 164**

The purpose and intent of this measure is request the Governor to establish a working group to develop a conservation action plan to explore and identify conservation alternatives for the undeveloped portions of the Turtle Bay Hotel and Resort property and surrounding lands (Property) with conservation or historic value.

Your Committees received testimony in support of this measure from the Governor, Department of Land and Natural Resources, North Shore Community Land Trust, Keep the North Shore Country, Defend Oahu Coalition, Trust for Public Lands, and numerous individuals. Your Committees received comments on this measure from Turtle Bay Resort, LLC, and one individual.

The Property under negotiation includes the unimproved and undeveloped lands adjacent to the Turtle Bay Hotel and Resort. The subject matter of this measure dates back to the latter years of the previous administration as part of an effort to purchase and protect precious natural resource lands from development. Despite two separate attempts to acquire the land, nothing has been successfully completed, and the purchase is still pending.

Your Committees believe that it remains in the public's best interest to continue efforts to conserve the undeveloped portions of the Property. During the Regular Session of 2013, the Legislature introduced S.B. No. 894, S.D. 2, to appropriate funds and authorizes the Governor, or the Governor's designee, to continue efforts to acquire certain unimproved lands surrounding the Property. If the

Governor finds that it is not feasible for the State to acquire sole interest of the Property, S.B. No. 894, S.D. 2, also authorizes the Governor to enter into a cooperative agreement or agreements, such as a conservation easement, with private or other public entities interested in conserving the undeveloped portions of the Property.

Community involvement and input on this issue reveals competing interests to the Property. On the one hand, a cogent argument can be made that the Turtle Bay Hotel and Resort is the only major economic stimulus for the area in the form of employment and future affordable housing. On the other hand, the slogan “Keep the country country” has merit, particularly when considering the potentially disruptive impact of the expansion on rural lifestyles, particularly impacts of traffic congestion and the undeniable demands on infrastructure improvements such as roads and sewers.

Your Committees remain cognizant that residents of the North Shore prefer to live in a rural environment and live there by choice rather than by circumstance. However, the North Shore represents perhaps the last bastion of developable land, which makes the North Shore the symbolic lightning rod on the issue of development and tourism, particularly considering the State’s limited industrial potential and its disproportionate reliance on tax revenues. At this point in time, it is important to explore alternatives to protect the undeveloped lands surrounding Turtle Bay and for the community to work together toward that end.

Your Committees believe that the likely parties to the negotiations will be not more than three people – one to represent the Governor, one to represent the developer, and one to represent land conservation groups. Your Committees note that the measure requests that “meetings to foster community engagement and gather community input”, rather than hearings, be held to foster community engagement and gather input. Your Committees note that since several such meetings have already been held, this is a familiar process that can engage the community for input on conservation alternatives for the Property.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 164 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Water and Land

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

Judiciary and Labor

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

**SCRep. 1418 (Joint) Water and Land and Judiciary and Labor on S.R. No. 121**

The purpose and intent of this measure is request the Governor to establish a working group to develop a conservation action plan to explore and identify conservation alternatives for the undeveloped portions of the Turtle Bay Hotel and Resort property and surrounding lands (Property) with conservation or historic value.

Your Committees received testimony in support of this measure from the Governor, Department of Land and Natural Resources, North Shore Community Land Trust, Keep the North Shore Country, Defend Oahu Coalition, Trust for Public Lands, and numerous individuals. Your Committees received comments on this measure from Turtle Bay Resort, LLC, and one individual.

The Property under negotiation includes the unimproved and undeveloped lands adjacent to the Turtle Bay Hotel and Resort. The subject matter of this measure dates back to the latter years of the previous administration as part of an effort to purchase and protect precious natural resource lands from development. Despite two separate attempts to acquire the land, nothing has been successfully completed, and the purchase is still pending.

Your Committees believe that it remains in the public’s best interest to continue efforts to conserve the undeveloped portions of the Property. During the Regular Session of 2013, the Legislature introduced S.B. No. 894, S.D. 2, to appropriate funds and authorizes the Governor, or the Governor’s designee, to continue efforts to acquire certain unimproved lands surrounding the Property. If the Governor finds that it is not feasible for the State to acquire sole interest of the Property, S.B. No. 894, S.D. 2, also authorizes the Governor to enter into a cooperative agreement or agreements, such as a conservation easement, with private or other public entities interested in conserving the undeveloped portions of the Property.

Community involvement and input on this issue reveals competing interests to the Property. On the one hand, a cogent argument can be made that the Turtle Bay Hotel and Resort is the only major economic stimulus for the area in the form of employment and future affordable housing. On the other hand, the slogan “Keep the country country” has merit, particularly when considering the potentially disruptive impact of the expansion on rural lifestyles, particularly impacts of traffic congestion and the undeniable demands on infrastructure improvements such as roads and sewers.

Your Committees remain cognizant that residents of the North Shore prefer to live in a rural environment and live there by choice rather than by circumstance. However, the North Shore represents perhaps the last bastion of developable land, which makes the North Shore the symbolic lightning rod on the issue of development and tourism, particularly considering the State’s limited industrial potential and its disproportionate reliance on tax revenues. At this point in time, it is important to explore alternatives to protect the undeveloped lands surrounding Turtle Bay and for the community to work together toward that end.

Your Committees believe that the likely parties to the negotiations will be not more than three people – one to represent the Governor, one to represent the developer, and one to represent land conservation groups. Your Committees note that the measure requests that “meetings to foster community engagement and gather community input”, rather than hearings, be held to foster community engagement and gather input. Your Committees note that since several such meetings have already been held, this is a familiar process that can engage the community for input on conservation alternatives for the Property.

As affirmed by the records of votes of the members of your Committees on Water and Land and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 121 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Water and Land  
Ayes, 6. Noes, none. Excused, 1 (Ihara).

Judiciary and Labor  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 1419 (Joint) Tourism and Hawaiian Affairs and Transportation and International Affairs on S.C.R. No. 83**

The purpose and intent of this measure is to recognize and support the Native Hawaiian Hospitality Association's efforts in preparing for the designation of Waikiki – Kauhale O Ho'okipa as a state and national scenic byway.

Your Committees received testimony in support of this measure from the Native Hawaiian Hospitality Association.

Your Committees appreciate the Native Hawaiian Hospitality Association's work to recognize Waikiki – Kauhale O Ho'okipa as a state and national scenic byway. Such recognition will educate the public regarding Waikiki's historical and cultural significance and help promote its special intrinsic qualities to improve visitors' experience.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian 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. 83 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1420 (Joint) Tourism and Hawaiian Affairs and Transportation and International Affairs on S.R. No. 49**

The purpose and intent of this measure is to recognize and support the Native Hawaiian Hospitality Association's efforts in preparing for the designation of Waikiki – Kauhale O Ho'okipa as a state and national scenic byway.

Your Committees received testimony in support of this measure from the Native Hawaiian Hospitality Association.

Your Committees appreciate the Native Hawaiian Hospitality Association's work to recognize Waikiki – Kauhale O Ho'okipa as a state and national scenic byway. Such recognition will educate the public regarding Waikiki's historical and cultural significance and help promote its special intrinsic qualities to improve visitors' experience.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 49 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1421 (Joint) Tourism and Hawaiian Affairs and Transportation and International Affairs on S.C.R. No. 143**

The purpose and intent of this measure is to urge the Hawaii Tourism Authority to work with airline companies to show ocean safety videos on Hawaii-bound flights.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Hawaii Lifeguard Association, and four individuals.

According to the Hawaii State Department of Health, drowning has been the leading cause of fatal injury to visitors for the past twenty years. At least a dozen Hawaii visitors have been killed in accidents so far this year. Rescue personnel are frequently placed in danger when recovering injured hikers and swimmers. Your Committees find that showing recreational safety videos that educate visitors about the dangers inherent in ocean and inland activities would be a significant step toward preventing further accidental injuries and deaths.

Your Committees have amended this measure by:

- (1) Expanding the types of companies urged to show safety videos to include hotels and other companies in the visitor industry;
- (2) Expanding the scope of the safety videos to include all recreational activities rather than only ocean activities;
- (3) Amending the title for consistency; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian 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. 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.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1422 (Joint) Tourism and Hawaiian Affairs and Transportation and International Affairs on S.R. No. 103**

The purpose and intent of this measure is to urge the Hawaii Tourism Authority to work with airline companies to show ocean safety videos on Hawaii-bound flights.

Your Committees received testimony in support of this measure from the Hawaii Tourism Authority, Hawaii Lifeguard Association, and four individuals.

According to the Hawaii State Department of Health, drowning has been the leading cause of fatal injury to visitors for the past twenty years. At least a dozen Hawaii visitors have been killed in accidents so far this year. Rescue personnel are frequently placed in danger when recovering injured hikers and swimmers. Your Committees find that showing recreational safety videos that educate visitors about the dangers inherent in ocean and inland activities would be a significant step toward preventing further accidental injuries and deaths.

Your Committees have amended this measure by:

- (1) Expanding the types of companies urged to show safety videos to include hotels and other companies in the visitor industry;
- (2) Expanding the scope of the safety videos to include all recreational activities rather than only ocean activities;
- (3) Amending the title for consistency; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian 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 on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 5. Noes, none. Excused, 3 (Hee, Solomon, Slom).

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1423 (Joint) Tourism and Hawaiian Affairs and Water and Land and Technology and the Arts on S.C.R. No. 173**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources and the State Foundation on Culture and the Arts to assist the Friends of Liliuokalani Gardens in its preparations to commemorate the centennial of the death of Queen Liliuokalani in the Queen Liliuokalani Gardens in Hilo.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Historic Hawaii Foundation, State Foundation on Culture and the Arts, Papa Ola Lokahi, and one individual. Your Committees received comments on this measure from Friends of Liliuokalani Gardens.

Liliuokalani Gardens in Hilo is a significant historical and cultural landscape, notable for its Japanese style garden landscape. Liliuokalani Gardens was made possible by Queen Liliuokalani and dedicated to her memory in 1917, the same year of her passing. A centennial celebration in the gardens Queen Liliuokalani fostered will be an especially honorable and appropriate way to commemorate Queen Liliuokalani and her significant achievements. The commemoration will also provide an opportunity to educate the public on and stimulate interest in Hawaii's history and heritage.

The Department of Land and Natural Resources and the State Foundation on Culture and the Arts requested clarification as to the assistance being requested of them. The Friends of Liliuokalani Gardens testified that the Department of Land and Natural Resources could provide necessary records and information regarding the gardens and its artifacts and also any land-use permissions that cannot be granted by the county. The State Foundation on Culture and the Arts would be vital in assisting the Friends of Liliuokalani Gardens in identifying, cleaning, and restoring historical artifacts and works of art in the gardens.

Your Committees have amended this measure by:

- (1) Clarifying that Liliuokalani Gardens contains Japanese style gardens rather than the typically smaller Japanese style "tea gardens";
- (2) Clarifying that the centennial celebration commemorates the death of Queen Liliuokalani and the establishment of the garden she fostered; and
- (3) Amending the title accordingly.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs, Water and Land, and Technology and the Arts 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.

Tourism and Hawaiian Affairs  
Ayes, 7. Noes, none. Excused, 1 (Hee).

Water and Land  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ihara).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Tokuda).

**SCRep. 1424 (Joint) Tourism and Hawaiian Affairs and Water and Land and Technology and the Arts on S.R. No. 130**

The purpose and intent of this measure is to urge the Department of Land and Natural Resources and the State Foundation on Culture and the Arts to assist the Friends of Liliuokalani Gardens in its preparations to commemorate the centennial of the death of Queen Liliuokalani in the Queen Liliuokalani Gardens in Hilo.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Historic Hawaii Foundation, State Foundation on Culture and the Arts, Papa Ola Lokahi, and one individual. Your Committees received comments on this measure from Friends of Liliuokalani Gardens.

Liliuokalani Gardens in Hilo is a significant historical and cultural landscape, notable for its Japanese style garden landscape. Liliuokalani Gardens was made possible by Queen Liliuokalani and dedicated to her memory in 1917, the same year of her passing. A centennial celebration in the gardens Queen Liliuokalani fostered will be an especially honorable and appropriate way to commemorate Queen Liliuokalani and her significant achievements. The commemoration will also provide an opportunity to educate the public on and stimulate interest in Hawaii's history and heritage.

The Department of Land and Natural Resources and the State Foundation on Culture and the Arts requested clarification as to the assistance being requested of them. The Friends of Liliuokalani Gardens testified that the Department of Land and Natural Resources could provide necessary records and information regarding the gardens and its artifacts and also any land-use permissions that cannot be granted by the county. The State Foundation on Culture and the Arts would be vital in assisting the Friends of Liliuokalani Gardens in identifying, cleaning, and restoring historical artifacts and works of art in the gardens.

Your Committees have amended this measure by:

- (1) Clarifying that Liliuokalani Gardens contains Japanese style gardens rather than the typically smaller Japanese style "tea gardens";
- (2) Clarifying that the centennial celebration commemorates the death of Queen Liliuokalani and the establishment of the garden she fostered; and
- (3) Amending the title accordingly.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs, Water and Land, and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 130, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 130, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs  
Ayes, 7. Noes, none. Excused, 1 (Hee).

Water and Land  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ihara).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Nishihara, Tokuda).

**SCRep. 1425 Ways and Means on S.C.R. No. 11**

The purpose and intent of this measure is to approve the sale of the leased fee interest in 643 Papahehi Place, Honolulu, Hawaii, TMK No. 1-3-8-10-35.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Housing Finance and Development Corporation. Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

The Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 643 Papahehi Place, Honolulu, Hawaii, to the property's current leasehold owner. Your Committee finds that this measure satisfies the requirements of section 171-64.7, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the sale of certain 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. 11 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1426 Ways and Means on S.C.R. No. 12**

The purpose and intent of this measure is to approve the sale of the leased fee interest in 95-011 Kuaahelani Avenue, No. 111, Mililani, Hawaii, pursuant to section 171-64.7, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism and the Hawaii Housing Finance and Development Corporation. Your Committee received written comments on this measure from the Office of Hawaiian Affairs.

The Hawaii Housing Finance and Development Corporation desires to sell the leased fee interest in 95-011 Kuahelani Avenue, No. 111, Mililani, Hawaii, to the property's current leasehold owner. Your Committee finds that this measure satisfies the requirements of section 171-64.7, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the sale of certain 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. 12 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1427 Ways and Means on S.C.R. No. 20**

The purpose and intent of this measure is to submit to the Legislature for review the proposed exchange involving state land located at Nuuanu, Honolulu, Oahu, and privately owned land located at Hoaeae, Ewa, Oahu, together with all improvements thereon.

Your Committee received written comments in support of this measure from Hawaii Baptist Academy. The Office of Hawaiian Affairs submitted written comments on the measure.

At its meeting of October 24, 2008, under agenda item D-13, as amended at its meeting of August 10, 2012, under agenda item D-9, the Board of Land and Natural Resources approved in principle the proposed exchange involving state land located at Nuuanu, Honolulu, Oahu, identified as Tax Map Key (1) 2-2-22:19, and privately owned land located at Hoaeae, Ewa, Oahu, identified as Tax Map Key (1) 9-4-49:62, together with all improvements thereon. Your Committee finds that this measure satisfies the requirements of section 171-50, Hawaii Revised Statutes, which provides that any exchange of public land for private land shall be subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives, or by majority vote of both chambers.

As 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, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1428 Ways and Means on S.C.R. No. 41**

The purpose and intent of this measure is to extend the Government Contracting Task Force until June 30, 2013.

Your Committee finds that, pursuant to Senate Concurrent Resolution No. 40, S.D. 1, H.D. 1 (2012), the Government Contracting Task Force was requested to develop recommendations to address issues that affect procurement 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. The Task Force was requested to submit a report of its findings and recommendations no later than December 31, 2012. In developing its recommendations, the Task Force was requested to:

- (1) Examine the state contracting process from the initial planning phase through service delivery, and issues relating to payment when invoices are submitted;
- (2) Identify areas that can be simplified and standardized between government agencies, the State Procurement Office, the Department of Accounting and General Services, the Department of the Attorney General, and the parties contracted to deliver services; and
- (3) Evaluate the "dashboard" demonstration project that uses 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 contracting process, with the goal of clarifying problem areas and solutions for government agencies and the parties contracted to provide services.

Your Committee believes that, despite making considerable progress, the Government Contracting Task Force requires more time to complete the tasks set out in Senate Concurrent Resolution No. 40, S.D. 1, H.D. 1 (2012). The extension provided by this measure will allow the Task Force sufficient time to finalize its recommendations and submit its report to the Legislature.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 41, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1429 Ways and Means on S.C.R. No. 65**

The purpose and intent of this measure is to request the Auditor to conduct an assessment on the social and financial impacts of mandating coverage for hearing aids under the policies and plans of health insurers and like entities as proposed under S.B. No. 309, S.D. 1 (2013).

Your Committee received written comments in support of this measure from the Disability and Communication Access Board.



Your Committee finds that while some degree of hearing loss is common among the elderly, Medicare and most private insurers do not cover the cost of hearing aids.

As 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. 65, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1430 Ways and Means on S.C.R. No. 96**

The purpose and intent of this measure is to support and encourage the activities of the Jump Start Program.

More specifically, this measure:

- (1) Commends the Jump Start Task Force for the creation of the Jump Start program;
- (2) Encourages the expansion of the Jump Start program for schools on the islands of Maui and Hawaii; and
- (3) Requests the Department of Education and the University of Hawaii Community Colleges to continue their support of the Jump Start program.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that the Jump Start program enables high school seniors to obtain credits for their high school diploma and receive career and technical education, while concurrently earning college credit. Your Committee finds that, due to the success of the program on the islands of Oahu and Kauai, public high schools on the islands of Maui and Hawaii have expressed interest in participating in the Jump Start 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 concurs with the intent and purpose of S.C.R. No. 96 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1431 Ways and Means on S.R. No. 62**

The purpose and intent of this measure is to support and encourage the activities of the Jump Start Program.

More specifically, this measure:

- (1) Commends the Jump Start Task Force for the creation of the Jump Start program;
- (2) Encourages the expansion of the Jump Start program for schools on the islands of Maui and Hawaii; and
- (3) Requests the Department of Education and the University of Hawaii Community Colleges to continue their support of the Jump Start program.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that the Jump Start program enables high school seniors to obtain credits for their high school diploma and receive career and technical education, while concurrently earning college credit. Your Committee finds that, due to the success of the program on the islands of Oahu and Kauai, public high schools on the islands of Maui and Hawaii have expressed interest in participating in the Jump Start 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 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, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1432 Ways and Means on S.C.R. No. 106**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a nonexclusive easement covering a portion of state submerged lands, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee finds that the seaward boundary of the subject property fronts the ocean and includes a pier that encroaches into state-owned submerged lands. The owners of the property seek a fifty-five-year nonexclusive easement to use, maintain, repair, replace, and remove the existing pier, in consideration for a one-time payment to be determined by independent or staff appraisal establishing a fair market rent. Your Committee also finds that this measure satisfies the requirements of section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 106 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 1433 Ways and Means on S.C.R. No. 119**

The purpose and intent of this measure is to request the Auditor to conduct a sunrise review of the regulation of unaccredited degree granting institutions, as proposed under H.B. No. 1200, H.D. 2 (2013), including an assessment of the current and alternative forms of regulation.

Your Committee received written comments on this measure from the Office of Consumer Protection.

Your Committee finds that many employers require a degree from an accredited educational institution as a condition of employment. Furthermore, the United States Department of Education relies upon an institution's accreditation from a recognized accrediting agency to determine eligibility for certain federal funds. Nonetheless, Hawaii is one of a small number of states that does not license, approve, or prohibit unaccredited degree granting institutions. This measure requests an evaluation of proposed regulation in this 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. 119, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1434 Ways and Means on S.C.R. No. 126**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, nonexclusive easement covering a portion of state submerged lands fronting the property identified as tax map key (1) 4-7-014: seaward of 010, Kaalaea, Koolaupoko, Oahu, pursuant to section 171-53, Hawaii Revised Statutes.

Your Committee finds that the affected private property owners applied for a term, nonexclusive easement to resolve the encroachment of filled land, a seawall, and a small tile wall into state submerged lands. On November 10, 2011, the Board of Land and Natural Resources authorized the issuance of the easement to the property owners. Your Committee also finds that this measure satisfies the requirements of section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 126 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1435 Ways and Means on S.C.R. No. 133**

The purpose and intent of this measure is to request the Department of Budget and Finance to create a Task Force for Responsible Fiscal Action.

The measure requests that the task force:

- (1) Review the fiscal imbalances of state government, including but not limited to:
  - (A) Analyses of projected state expenditures;
  - (B) Analyses of projected state revenues; and
  - (C) Analyses of the current and long-term actuarial financial condition of state government;
- (2) Identify factors that affect the long-term fiscal imbalances of state government; and
- (3) Analyze potential courses of action to address factors that affect the long-term fiscal imbalance of state government.

Your Committee received testimony in support of this measure from a private individual.

Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that it would be prudent to take proactive measures to ensure the long-term financial health of the State. Your Committee also finds that the purpose of the task force proposed by this measure would be to plan for the long-term growth and stability of state finances by projecting revenues, expenditures, and the State's actuarial financial condition.

As 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. 133 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1436 Ways and Means on S.C.R. No. 170**

The purpose and intent of this measure is to address an apparent disparity in the application of the state general excise tax by directing the Director of Taxation to review section 237-25(c), Hawaii Revised Statutes, to determine if there is any rational basis for the apparent disparity between the application of that provision and other sections of chapter 237, Hawaii Revised Statutes.

Your Committee received testimony in opposition to this measure from the Department of Taxation.

Your Committee finds that sections 237-14, 237-14.5, 237-18, 237-21, 237-23(a)(7), and 237-23(b)(3), Hawaii Revised Statutes, allow taxpayers, under certain circumstances, to segregate, divide, allocate, apportion, or specifically classify gross proceeds so as to

apply different tax rates, or no tax at all, to determine the appropriate amount of general excise tax due. Your Committee also finds that section 237-25(c), Hawaii Revised Statutes states:

Nothing in this section shall be deemed to exempt any person engaging or continuing in a service business or calling from any part of the tax imposed upon the person for such activity, and the person shall not be entitled to deduct any amount for tangible personal property furnished in conjunction therewith even though the person separately bills or otherwise shows the amount of the gross income of the business derived from the furnishing of the property.

Your Committee further finds that section 237-25(c), Hawaii Revised Statutes, appears to contradict the aforementioned sections of chapter 237, Hawaii Revised Statutes. An evaluation by the Director of Taxation of the application of this provision will provide clarity for taxpayers.

As 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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1437 Agriculture on S.C.R. No. 71**

The purpose and intent of this measure is to support efforts by non-governmental organizations to develop opportunities and solutions with local agricultural producers and value-added food processors to enhance food safety and food security practices in Hawaii.

Your Committee received testimony in support of this measure from Kohala Center, Malama O Puna, East Hawaii Community Development Corporation, and eleven individuals.

Your Committee finds that Hawaii's food safety practices will be enhanced by the FDA Food Safety Modernization Act but that local agricultural producers are struggling to bring their operations into timely compliance with the Act's requirements. Non-governmental organizations such as the East Hawaii Community Development Corporation are providing critical services to the State by assisting local farmers in meeting the new federal requirements for food safety despite limited governmental funds. Your Committee finds that this body should support the efforts of these non-governmental organizations and their significant contribution to the State's food security and sustainability.

Your Committee has amended this measure by:

- (1) Naming 4 Ag Hawaii, Kohala Center, Malama Kauai, Ulupono Initiative, and the Sustainable Living Institute of Maui as additional non-governmental agencies that are assisting local agricultural producers in complying with federal food safety requirements, rather than recognizing the efforts of only the East Hawaii Community Development Corporation;
- (2) Adding the Chairperson of the Kauai, Maui, and Hawaii County Councils and the Chairperson of the Honolulu City Council as additional recipients of certified copies 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 71, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 71, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1438 Agriculture on S.R. No. 38**

The purpose and intent of this measure is to support efforts by non-governmental organizations to develop opportunities and solutions with local agricultural producers and value-added food processors to enhance food safety and food security practices in Hawaii.

Your Committee received testimony in support of this measure from Kohala Center, Malama O Puna, East Hawaii Community Development Corporation, and eleven individuals.

Your Committee finds that Hawaii's food safety practices will be enhanced by the FDA Food Safety Modernization Act but that local agricultural producers are struggling to bring their operations into timely compliance with the Act's requirements. Non-governmental organizations such as the East Hawaii Community Development Corporation are providing critical services to the State by assisting local farmers in meeting the new federal requirements for food safety despite limited governmental funds. Your Committee finds that this body should support the efforts of these non-governmental organizations and their significant contribution to the State's food security and sustainability.

Your Committee has amended this measure by:

- (1) Naming 4 Ag Hawaii, Kohala Center, Malama Kauai, Ulupono Initiative, and the Sustainable Living Institute of Maui as additional non-governmental agencies that are assisting local agricultural producers in complying with federal food safety requirements, rather than recognizing the efforts of only the East Hawaii Community Development Corporation;
- (2) Adding the Chairperson of the Kauai, Maui, and Hawaii County Councils and the Chairperson of the Honolulu City Council as additional recipients of certified copies 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 Agriculture that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 38, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 38, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, English, Kouchi).

**SCRep. 1439 Commerce and Consumer Protection on S.C.R. No. 86**

The purpose and intent of this measure is to urge all health care providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waitlist.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that in 2011 there were at least 2,425 people in Hawaii living with HIV or AIDS. Your Committee further finds that most people infected with HIV who use highly active antiretroviral therapy tend to die from end-stage organ disease and organ failure that result from chronic conditions rather than AIDS-associated opportunistic infections. In the event of organ failure, an organ transplant is often an HIV-positive person's only chance of survival.

Your Committee additionally finds that under certain circumstances, HIV-positive patients are good candidates for organ transplantation and have positive post-transplant outcomes, and there is no legitimate reason to deny HIV-positive patients an organ transplant solely due to their HIV status. Accordingly, this measure urges health care providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waiting list.

As affirmed 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. 86 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1440 Commerce and Consumer Protection on S.R. No. 52**

The purpose and intent of this measure is to urge all health care providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waitlist.

Your Committee received testimony in support of this measure from three individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that in 2011 there were at least 2,425 people in Hawaii living with HIV or AIDS. Your Committee further finds that most people infected with HIV who use highly active antiretroviral therapy tend to die from end-stage organ disease and organ failure that result from chronic conditions rather than AIDS-associated opportunistic infections. In the event of organ failure, an organ transplant is often an HIV-positive person's only chance of survival.

Your Committee additionally finds that under certain circumstances, HIV-positive patients are good candidates for organ transplantation and have positive post-transplant outcomes, and there is no legitimate reason to deny HIV-positive patients an organ transplant solely due to their HIV status. Accordingly, this measure urges health care providers in Hawaii that perform organ transplantation to consider placing HIV-positive patients who need an organ transplant on an organ transplant waiting list.

As affirmed 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 its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Galuteria, Wakai, Slom).

**SCRep. 1441 (Majority) Ways and Means on S.C.R. No. 21**

The purpose and intent of this measure is to provide legislative review of the Board of Land and Natural Resources' approval of a land exchange and sale of property, pursuant to sections 171-50 and 171-64.7, Hawaii Revised Statutes.

Your Committee received written comments in support of this measure from the Kunuiakea family. The Office of Hawaiian Affairs submitted written comments.

At its meeting of June 8, 2012, under agenda item D-11, the Board of Land and Natural Resources approved a land exchange and sale of property pursuant to the stipulated final judgment on title filed on April 12, 1996, and the stipulated judgment on partition filed on April 1, 1997, in *Napoleon, et al., v. State of Hawaii, et al.*, Civ. No. 92-0789, for land located at Kahananui, Molokai, Hawaii, tax map keys: (2) 5-6-06:14; (2) 5-6-06:15; (2) 5-6-03:12; (2) 5-6-03:08; and (2) 5-6-03:10. Your Committee finds that this measure satisfies the requirements of section 171-50, Hawaii Revised Statutes, which provides that any exchange of public land for private land shall be subject to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives, or by majority vote of both chambers. Your Committee further finds that this measure satisfies the requirements of section 171-64.7, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the sale of certain 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; Ayes with Reservations (Dela Cruz, Espero, Kahele, Keith-Agaran, Ruderman, Thielen, Tokuda). Noes, 3 (English, Kidani, Slom). Excused, 1 (Kouchi).

**SCRep. 1442 Ways and Means on S.C.R. No. 22**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, nonexclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (1) 4-7-024: seaward of 022, Kaalaea, Koolaupoko, Oahu.

Your Committee finds that the owner of a seawall at Kaalaea, Koolaupoko, Oahu, requested to resolve the encroachment of the seawall into state submerged lands. At its meeting of September 14, 2012, under agenda item D-15, the Board of Land and Natural Resources approved the grant of a fifty-five-year non-exclusive easement to resolve the encroachment. Your Committee further finds that this measure satisfies the requirements of section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1443 Ways and Means on S.C.R. No. 23**

The purpose and intent of this measure is to authorize, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources to issue a term, nonexclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (1) 4-4-037: seaward of 033, Kaneohe, Koolaupoko, Oahu.

Your Committee finds that the existing pier, seawall, and landscaped area on the subject property encroach into state submerged lands. On July 27, 2012, under agenda item D-6, the Board of Land and Natural Resources approved the grant of a fifty-five-year nonexclusive easement to resolve the encroachment. Your Committee further finds that this measure complies with section 171-53, Hawaii Revised Statutes, requiring legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 23, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1444 Ways and Means on S.C.R. No. 27**

The purpose and intent of this measure is to request the Department of Education to meet with interested parties to examine the feasibility of establishing a boxing pilot program in at least one of Hawaii's public high schools.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that while boxing provides valuable skills that can be used throughout life, such as self-defense and sportsmanship, young adults in Hawaii can currently participate in boxing only through the use of private boxing gyms and facilities, which can be costly.

As 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. 27 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1445 Ways and Means on S.R. No. 8**

The purpose and intent of this measure is to request the Department of Education to meet with interested parties to examine the feasibility of establishing a boxing pilot program in at least one of Hawaii's public high schools.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that while boxing provides valuable skills that can be used throughout life, such as self-defense, young adults in Hawaii can currently participate in boxing only through the use of private boxing gyms and facilities, which can be costly.

As 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. 8 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1446 Ways and Means on S.C.R. No. 34**

The purpose and intent of this measure is to request studies relating to the research of issues arising from the potential implementation of a genetically modified organism (GMO) labeling or right-to-know regimen.

Your Committee received written comments in support of this measure from one concerned individual.

Your Committee received written comments on this measure from the Legislative Reference Bureau.

Your Committee finds that the issue of labeling products that contain a GMO has garnered debate around the country, including Hawaii. The two most common means for informing consumers whether a certain product contains a GMO is by placing a label on the product or requiring the producer to register the product with a state agency in an accessible online database, known as a right-to-know

regimen. Your Committee further finds that prior to implementing a GMO labeling or registration requirement or maintaining the status quo, the Legislature needs more information on the issue. To this end, this measure requests certain entities to research and report to the Legislature on various issues relating to the potential implementation of a GMO labeling or right-to-know regimen, including:

- (1) Establishment of an economic model and a study of economic impacts on consumers, the local agricultural industry, and the State's 2050 sustainability goals, by the University of Hawaii Economic Research Organization;
- (2) Examination of the practicability of implementing either regimen, including ease of enforcement and potential effects on 2050 sustainability goals, by the Department of Agriculture, in collaboration with the Departments of Health and Business, Economic Development, and Tourism;
- (3) Details on the costs of implementation, including additional personnel requirements and any necessary changes to departmental processes or procedures, by the University of Hawaii College of Tropical Agriculture and Human Resources, with the assistance of the Department of Agriculture;
- (4) Analysis of peer reviewed literature and studies regarding the long-term safety of GMO crops grown in Hawaii and information on farming practices in Hawaii by the University of Hawaii College of Tropical Agriculture and Human Resources; and
- (5) Copies of legislation adopted by, or bills or ordinances under consideration by, other state legislatures over the past three years that address GMO labeling, and the outcomes of such bills, by the Legislative Reference Bureau.

Your Committee has amended this measure by specifying that the Legislative Reference Bureau is requested to research only state level legislation, to the extent available.

As 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. 34, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 34, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1447 Ways and Means on S.C.R. No. 37**

The purpose and intent of this measure is to request the Public Utilities Commission to consider the issue of the retirement of old, oil-fired generation plants by electric utilities.

More specifically, this measure requests the Public Utilities Commission to consider:

- (1) Whether stranded costs are a significant factor in the failure by electric utilities to retire their old, oil-fired generation plants; and
- (2) Any appropriate measures that would encourage electric utilities to retire their old, oil-fired generation plants and the potential impact that this would have on ratepayers.

Your Committee received written comments on this measure from the Public Utilities Commission.

Your Committee finds that the State must find environmentally friendly alternatives to fossil fuel electric power generation. However, the early retirement of a power plant for the purpose of switching the power source from fossil fuels to renewable fuels potentially creates a stranded cost for electric utilities, which is a cost that usually cannot be recouped.

As 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. 37, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1448 Ways and Means on S.C.R. No. 49**

The purpose and intent of this measure is to support family-school partnerships in education.

More specifically, this measure requests the Board of Education and the Department of Education to:

- (1) Continue to collaborate with family and community organizations to establish, implement, and monitor statewide policy recommendations for family engagement in public schools;
- (2) Take the actions necessary to fulfill the legislative intent of Senate Concurrent Resolution No. 145, Regular Session of 2011, and Senate Concurrent Resolution No. 79, Regular Session of 2012; and
- (3) Report their findings and recommendations regarding the facilitation of family-school partnerships, including any proposed legislation and the status of the actions taken to fulfill the legislative intent of Senate Concurrent Resolution No. 145 and Senate Concurrent Resolution No. 79, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from the Department of Education and the State Council on Developmental Disabilities.

Your Committee finds that family-school partnerships in public education can help create policies, strategies, and practices that support learning and improve student achievement. Your Committee also finds that the Department of Education, in collaboration with

a working group comprised of family and community organizations, completed numerous actions in preparation for updating and implementing statewide policies for family-school partnerships. This measure will enable the Department and the working group to continue their work and fulfill the legislative intent of Senate Concurrent Resolution No. 145 (2011) and Senate Concurrent Resolution No. 79 (2012).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 49 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1449 Ways and Means on S.R. No. 26**

The purpose and intent of this measure is to support family-school partnerships in education.

More specifically, this measure requests the Board of Education and the Department of Education to:

- (1) Continue to collaborate with family and community organizations to establish, implement, and monitor statewide policy recommendations for family engagement in public schools;
- (2) Take the actions necessary to fulfill the legislative intent of Senate Concurrent Resolution No. 145, Regular Session of 2011, and Senate Concurrent Resolution No. 79, Regular Session of 2012; and
- (3) Report their findings and recommendations regarding the facilitation of family-school partnerships, including any proposed legislation and the status of the actions taken to fulfill the legislative intent of Senate Concurrent Resolution No. 145 and Senate Concurrent Resolution No. 79, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from the Department of Education and the State Council on Developmental Disabilities.

Your Committee finds that family-school partnerships in public education can help create policies, strategies, and practices that support learning and improve student achievement. Your Committee also finds that the Department of Education, in collaboration with a working group comprised of family and community organizations, completed numerous actions in preparation for updating and implementing statewide policies for family-school partnerships. This measure will enable the Department and the working group to continue their work and fulfill the legislative intent of Senate Concurrent Resolution No. 145 (2011) and Senate Concurrent Resolution No. 79 (2012).

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 26 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1450 Ways and Means on S.C.R. No. 57**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers in Hawaii to provide coverage for therapy and services relating to treating traumatic brain injuries.

Your Committee finds that survivors of traumatic brain injuries face a long rehabilitation process, including therapies and services that may not be covered by health insurance. Senate Bill No. 1227, requiring health insurers in the State to cover therapies and services relating to traumatic brain injuries, was introduced during the 2013 Regular Session. Your Committee finds that this Concurrent Resolution, requiring the Auditor to assess the social and financial impacts of the proposed coverage mandate, meets the requirements of sections 23-51 and 23-52, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 57, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1451 Ways and Means on S.C.R. No. 74**

The purpose and intent of this measure is to address the rapid spread of Albizia trees in the State.

Specifically, this measure:

- (1) Urges the Invasive Species Council to:
  - (A) Develop and implement a comprehensive interagency plan for the control and eradication of Albizia throughout the State, starting with the island of Hawaii; and
  - (B) Find partners to utilize the Albizia trees that are removed; and
- (2) Urges the Department of Agriculture to investigate biocontrol agents for the control of Albizia.

Your Committee received written comments in support of this measure from the Hawaii Electric Light Company and three private individuals.

Your Committee finds that the Albizia tree is native to the South Pacific and was introduced to Hawaii in 1917. Albizia is a fast growing tree with shallow roots, brittle wood, and a weak structure. Your Committee also finds that, due to its rapid growth rate and soil-altering roots and foliage, Albizia poses a threat to lowland native forests. Falling Albizia trees and branches pose a safety hazard to homeowners and motorists. Albizia trees have also damaged overhead and underground utilities. Your Committee further finds that Albizia has proliferated on the island of Hawaii to the point where it has become a significant problem.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 74, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1452 Ways and Means on S.R. No. 41**

The purpose and intent of this measure is to address the rapid spread of Albizia trees in the State.

Specifically, this measure:

- (1) Urges the Invasive Species Council to:
  - (A) Develop and implement a comprehensive interagency plan for the control and eradication of Albizia throughout the State, starting with the island of Hawaii; and
  - (B) Find partners to utilize the Albizia trees that are removed; and
- (2) Urges the Department of Agriculture to investigate biocontrol agents for the control of Albizia.

Your Committee received written comments in support of this measure from the Hawaii Electric Light Company.

Your Committee finds that the Albizia tree is native to the South Pacific and was introduced to Hawaii in 1917. Albizia is a fast growing tree with shallow roots, brittle wood, and a weak structure. Your Committee also finds that, due to its rapid growth rate and soil-altering roots and foliage, Albizia poses a threat to lowland native forests. Falling Albizia trees and branches pose a safety hazard to homeowners and motorists. Albizia trees have also damaged overhead and underground utilities. Your Committee further finds that Albizia has proliferated on the island of Hawaii to the point where it has become a significant problem.

As 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. 41, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1453 Ways and Means on S.C.R. No. 76**

The purpose and intent of this measure is to encourage policies that allow home schooled students to participate in public school extracurricular activities.

More specifically, this measure requests the Board of Education to:

- (1) Research state models and best practices for home schooled students to participate in public school extracurricular activities and sports;
- (2) Explore the implementation of a program for home schooled students to participate in public school extracurricular activities and sports; and
- (3) Report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014, including any policies developed or implemented by the Board of Education that allow home schooled students to participate in public school extracurricular activities and sports and any proposed legislation.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that, currently, the Board of Education does not have a policy allowing home schooled students to participate in extracurricular activities or sports at public schools in the State. Your Committee believes that home schooled students would benefit from participating in these activities and should have the same opportunity to participate in the same manner as their public school counterparts.

As 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. 76 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1454 Ways and Means on S.R. No. 43**

The purpose and intent of this measure is to encourage policies that allow home schooled students to participate in public school extracurricular activities.

More specifically, this measure requests the Board of Education to:

- (1) Research state models and best practices for home schooled students to participate in public school extracurricular activities and sports;



- (2) Explore the implementation of a program for home schooled students to participate in public school extracurricular activities and sports; and
- (3) Report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014, including any policies developed or implemented by the Board of Education that allow home schooled students to participate in public school extracurricular activities and sports and any proposed legislation.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that, currently, the Board of Education does not have a policy allowing home schooled students to participate in extracurricular activities or sports at public schools in the State. Your Committee believes that home schooled students would benefit from participating in these activities and should have the same opportunity to participate in the same manner as their public school counterparts.

As 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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1455 Ways and Means on S.R. No. 145**

The purpose and intent of this measure is to request the Board of Education to review its policies on acreage guidelines for schools in light of the State's effort to renovate and build new public schools that meet twenty-first century standards.

This measure also requests the Department of Education to submit a report to the Legislature on whether the acreage guidelines of Board of Education policy 6701 and any definitions included in section 302A-1602, Hawaii Revised Statutes, should be amended to accommodate the renovation and construction of public schools for the twenty-first century.

The Department of Education submitted written comments on the measure.

Your Committee finds that review of Board of Education Policy 6701 and section 302A-1602, Hawaii Revised Statutes, and a report to the Legislature are important steps in fulfilling the State's Twenty-First Century Schools initiative to upgrade existing schools and build new schools where appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 145 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1456 Ways and Means on S.C.R. No. 190**

The purpose and intent of this measure is to request the Board of Education to review its policies on acreage guidelines for schools in light of the State's effort to renovate and build new public schools that meet twenty-first century standards.

This measure also requests the Department of Education to submit a report to the Legislature on whether the acreage guidelines of Board of Education policy 6701 and any definitions included in section 302A-1602, Hawaii Revised Statutes, should be amended to accommodate the renovation and construction of public schools for the twenty-first century.

The Department of Education submitted written comments on the measure.

Your Committee finds that review of Board of Education Policy 6701 and section 302A-1602, Hawaii Revised Statutes, and a report to the Legislature are important steps in fulfilling the State's Twenty-First Century Schools initiative to upgrade existing schools and build new schools where appropriate.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 190 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1457 Ways and Means on S.R. No. 126**

The purpose and intent of this measure is encourage federal funding for educational services to migrants from the Compact of Free Association nations.

Your Committee finds that students from the Compact of Free Association nations frequently need specialized language services that require more resources than traditional public school students to supplement their education. Your Committee also finds that additional federal support is necessary to meet the increasing costs and demand for educational services for migrant students from the Compact of Free Association nations.

As 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. 126 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1458 Ways and Means on S.C.R. No. 169**

The purpose and intent of this measure is encourage federal funding for educational services to migrants from the Compact of Free Association nations.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that students from the Compact of Free Association nations frequently need specialized language services that require more resources than traditional public school students to supplement their education. Your Committee also finds that additional federal support is necessary to meet the increasing costs and demand for educational services for migrant students from the Compact of Free Association nations.

As 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. 169 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1459 Ways and Means on S.C.R. No. 168**

The purpose of this measure is to find ways to accommodate certain outdoor activities on public land without placing government entities at undue risk of being held liable for any resulting injuries or damages.

Specifically, this measure urges the Department of Land and Natural Resources, in consultation with the Department of the Attorney General, to explore various options to address government liability for injury or damage sustained while mountain climbing, rock climbing, rappelling, or bouldering on public land.

Your Committee finds that mountain climbing, rock climbing, rappelling, bouldering, and related outdoor activities include inherent dangers that place government entities at continuous risk of legal liability for injuries or damages occurring on public land. Your Committee further finds that given the millions of acres of public land and limited government resources, it would be impracticable for the State to erect fences, post signs, or limit access to all of the potential remote and unmanaged areas that the public may use for climbing activities. This measure urges an evaluation of various options to manage government liability without resorting to site closures that would limit or prevent public access.

As 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. 168, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, none.

**SCRep. 1460 Ways and Means on S.R. No. 125**

The purpose of this measure is to find ways to accommodate certain outdoor activities on public land without placing government entities at undue risk of being held liable for any resulting injuries or damages.

Specifically, this measure urges the Department of Land and Natural Resources, in consultation with the Department of the Attorney General, to explore various options to address government liability for injury or damage sustained while mountain climbing, rock climbing, rappelling, or bouldering on public land.

Your Committee finds that mountain climbing, rock climbing, rappelling, bouldering, and related outdoor activities include inherent dangers that place government entities at continuous risk of legal liability for injuries or damages occurring on public land. Your Committee further finds that given the millions of acres of public land and limited government resources, it would be impracticable for the State to erect fences, post signs, or limit access to all of the potential remote and unmanaged areas that the public may use for climbing activities. This measure urges an evaluation of various options to manage government liability without resorting to site closures that would limit or prevent public access.

As 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. 125, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 13; Ayes with Reservations (Keith-Agaran). Noes, none. Excused, none.

**SCRep. 1461 Ways and Means on S.C.R. No. 182**

The purpose and intent of this measure is to express support for the expected enhanced trade and investment opportunities following finalization and implementation of the regional free-trade agreement known as the Trans-Pacific Partnership.

This measure also encourages Hawaii's congressional delegation and others to support negotiations to finalize the agreement.

Your Committee finds that the proposed Trans-Pacific Partnership regional free trade agreement, currently being negotiated among the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam, will create jobs and promote job retention in Hawaii while increasing exports to the Pacific Rim 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. 182, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1462 Ways and Means on S.R. No. 138**

The purpose and intent of this measure is to express support for the expected enhanced trade and investment opportunities following finalization and implementation of the regional free-trade agreement known as the Trans-Pacific Partnership.

This measure also encourages Hawaii's congressional delegation and others to support negotiations to finalize the agreement.

Your Committee finds that the proposed Trans-Pacific Partnership regional free trade agreement, currently being negotiated among the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam, will create jobs and promote job retention in Hawaii while increasing exports to the Pacific Rim 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. 138, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1463 Ways and Means on S.R. No. 77**

The purpose and intent of this measure is to support the coordination of a statewide system of aging and caregiver support services in the State.

More specifically, this measure requests the Executive Office on Aging to:

- (1) Continue its research on timebanking as a sustainable and alternative currency system that will enhance and strengthen Hawaii's respite system; and
- (2) Submit a report on its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from the Executive Office on Aging.

Your Committee finds that alternative forms of currency to support increasing community needs for respite care services may improve many identified service gaps. Accordingly, your Committee finds that timebanking may offer a more sustainable provision of social services and that further research and investigation is needed to determine its viability.

As 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. 77 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1464 Ways and Means on S.C.R. No. 10**

The purpose and intent of this measure is to urge Hawaii's congressional delegation to seek matching federal funds for state appropriations honoring the late Senator Daniel K. Inouye and late Representative Patsy T. Mink through public works of art.

Your Committee finds that commissioning works of art to honor the legacy and contributions of the late Senator Inouye and late Representative Mink will perpetuate their legacies and inspire future generations. Urging Hawaii's congressional delegation to procure matching federal funds will help fund the expected high cost of commissioning the works of art, including the creation of permanent sculptures.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 10, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1465 Ways and Means on S.C.R. No. 26**

The purpose of this measure is to help criminal offenders transition back into the community after incarceration.

Specifically, this measure encourages the expansion and use of structured community placement programs to transition formerly incarcerated female inmates back into society, including continuance of the program administered by the Department of Public Safety.

Your Committee received written comments in support of this measure from the Community Alliance on Prisons.

Your Committee finds that community-based programs for former criminal offenders promote rehabilitation by helping individuals break the cycle of substance abuse, crime, and incarceration. Structured community placement programs offer a more integrated and seamless re-socialization and community reentry process for formerly incarcerated females adjusting to independent living and reunification with their families.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 26 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1466 Ways and Means on S.C.R. No. 69**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, nonexclusive easement covering a portion of state submerged lands fronting the property identified as tax map key: (2) 4-6-028:001 at Puamana, Lahaina, Maui.

Your Committee finds that portions of the seawall structures, the concrete groin, and revetment footings of the subject property encroach into state submerged land. On October 26, 2012, under agenda item D-6, the Board of Land and Natural Resources granted approval for a fifty-five year term, nonexclusive easement to resolve the encroachment. Your Committee further finds that this measure satisfies section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 69 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1467 Ways and Means on S.C.R. No. 78**

The purpose of this measure is to pursue solutions to improve the oversight, accountability, and transparency of the administration of the University of Hawaii System.

Specifically, this measure requests the Legislative Auditor to address the issues and concerns raised by the Senate Special Committee on Accountability relating to the University of Hawaii in 2012.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that in 2012, a Senate Special Committee on Accountability was appointed to review the oversight, accountability, and transparency of the operational and financial management of the University of Hawaii System. Subsequently, the Special Committee issued its findings and recommendations in Senate Special Committee Report No. 2, 2012, including various issues and concerns relating to the fiscal and operational administration of the University; the role and activities of the Board of Regents; and the University's procurement practices. This measure provides a vehicle for the Special Committee's recommendation that the Legislative Auditor be requested to conduct a financial and management audit of the University of Hawaii System to specifically address the issues and concerns raised in the report.

Your Committee has amended this measure by specifying that the Legislative Auditor is requested to address the issues and concerns raised in Senate Special Committee Report No. 2, 2012.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 78, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 78, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1468 Ways and Means on S.C.R. No. 105**

The purpose and intent of this measure is to authorize, pursuant to section 171-53, Hawaii Revised Statutes, the Board of Land and Natural Resources to issue a fifty-five-year nonexclusive easement covering a portion of state submerged lands located in Makaha, Waianae, Oahu.

Your Committee finds that the subject property includes a seawall that encroaches into state submerged lands. The Board of Land and Natural Resources has agreed to resolve the encroachment by approving a fifty-five-year easement that would allow the property owner to use, maintain, repair, replace, and remove the seawall. Your Committee finds that this measure satisfies section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 105 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1469 Ways and Means on S.C.R. No. 160**

The purpose and intent of this measure is to urge the Office of Planning to establish a working group to determine which parcels of land under the ownership of the State or the City and County of Honolulu are appropriate for exchange for purposes of facilitating the completion of specific missions of the State and the County, respectively.

Your Committee received written comments on this measure from the Office of Planning and the Department of Planning and Permitting for the City and County of Honolulu.

Your Committee finds that the State owns parcels of land that the City and County of Honolulu may desire to obtain due to the parcels' proximity to several planned rail transit station centers. Similarly, the City and County of Honolulu owns land that the State may desire to obtain for the purposes of building or redeveloping public schools as part of the States Twenty-First Century School Initiative. Establishing a working group to determine appropriate parcels of land for exchange will assist the State and the County in establishing an appropriate exchange that will benefit the people of Oahu.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 160, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1470 Ways and Means on S.R. No. 117**

The purpose and intent of this measure is to urge the Office of Planning to establish a working group to determine which parcels of land under the ownership of the State or the City and County of Honolulu are appropriate for exchange for purposes of facilitating the completion of specific missions of the State and the County, respectively.

Your Committee received written comments on this measure from the Office of Planning and the Department of Planning and Permitting for the City and County of Honolulu.

Your Committee finds that the State owns parcels of land that the City and County of Honolulu may desire to obtain due to the parcels' proximity to several planned rail transit station centers. Similarly, the City and County of Honolulu owns land that the State may desire to obtain for the purposes of building or redeveloping public schools as part of the States Twenty-First Century School Initiative. Establishing a working group to determine appropriate parcels of land for exchange will assist the State and the County in establishing an appropriate exchange that will benefit the people of Oahu.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 117, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1471 Ways and Means on S.C.R. No. 200**

The purpose and intent of this measure is to urge the President and the United States Congress to reach an agreement on an appropriations bill to mitigate any negative impacts on the military and the federal Department of Defense civilian population in Hawaii and across the nation.

Your Committee finds that the military's influence on Hawaii's economy is profound, second only to the influence of tourism. Absent a federal appropriations bill, the current fiscal crisis resulting from the recent federal budget cuts under the Budget Control Act of 2011, also known as sequestration, threatens to severely impact the State, causing job losses, furloughs, and decreased investment and economic activity. Your Committee believes this measure appropriately encourages agreement on an appropriations bill to avoid the harsh effects of sequestration in the State and across the nation.

As 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. 200 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1472 Ways and Means on S.C.R. No. 115**

The purpose and intent of this measure is to request the Hawaii Paroling Authority to thoroughly consider granting parole to individuals serving sentences for Class A, B, and C felonies before the expiration of their maximum term.

Your Committee received written comments in support of this measure from Community Alliance on Prisons.

Your Committee finds that the recidivism rate for inmates who serve their maximum term and are released without supervision is significantly higher than the recidivism rate for inmates who are placed on parole. Your Committee finds that the intent of this measure is to reduce recidivism by affording inmates a supervised transition, rather than simply being released from prison directly into the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 115 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1473 Ways and Means on S.R. No. 79**

The purpose and intent of this measure is to request the Hawaii Paroling Authority to thoroughly consider granting parole to individuals serving sentences for Class A, B, and C felonies before the expiration of their maximum term.

Your Committee received written comments in support of this measure from Community Alliance on Prisons.

Your Committee finds that the recidivism rate for inmates who serve their maximum term and are released without supervision is significantly higher than the recidivism rate for inmates who are placed on parole. Your Committee finds that the intent of this measure is to reduce recidivism by affording inmates a supervised transition, rather than simply being released from prison directly into the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 79 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1474 Ways and Means on S.C.R. No. 172**

The purpose and intent of this measure is to urge the County of Hawaii to continue negotiations with the private lessee of state land identified as tax map key: 6-6-001: 010, to mutually cancel the lease or, alternatively, to obtain a public easement in favor of the County to allow the County to proceed with its plans for the Waimea Trails and Greenways trailhead and county park.

Your Committee finds that Waimea Trails and Greenways and the County of Hawaii seek to acquire the subject property, as the acquisition would allow the first phase of the Waimea Trails and Greenways Project to connect to Kawaihae Road at two places. Further, the subject property is currently under lease to a private party who has indicated that it would be willing to exchange the property for another parcel. Your Committee believes that the acquisition of the subject property would provide an alternative mode of transportation through the town of Waimea, a safe place for recreation and exercise, and easy access and enjoyment of public lands and resources.

Your Committee has amended this measure by requesting the Department of Land and Natural Resources to require the County of Hawaii to indemnify the State for any costs incurred in canceling the lease.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 172, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 172, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1475 Ways and Means on S.R. No. 129**

The purpose and intent of this measure is to urge the County of Hawaii to continue negotiations with the private lessee of state land identified as tax map key: 6-6-001: 010, to mutually cancel the lease or, alternatively, to obtain a public easement in favor of the County to allow the County to proceed with its plans for the Waimea Trails and Greenways trailhead and county park.

Your Committee finds that Waimea Trails and Greenways and the County of Hawaii seek to acquire the subject property, as the acquisition would allow the first phase of the Waimea Trails and Greenways Project to connect to Kawaihae Road at two places. Further, the subject property is currently under lease to a private party who has indicated that it would be willing to exchange the property for another parcel. Your Committee believes that the acquisition of the subject property would provide an alternative mode of transportation through the town of Waimea, a safe place for recreation and exercise, and easy access and enjoyment of public lands and resources.

Your Committee has amended this measure by requesting the Department of Land and Natural Resources to require the County of Hawaii to indemnify the State for any costs incurred in canceling the lease.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 129, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 129, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1476 Ways and Means on S.C.R. No. 141**

The purpose and intent of this measure is to request the State Foundation on Culture and the Arts to display all works of art in its collection and to place photographs and information of the works of art on the Internet.

Your Committee finds that approximately one quarter of the works of art owned by the State are not displayed. Your Committee also finds that some members of the public may have difficulty accessing the displayed works of art, finding information on the works of art, or ascertaining a particular work of art's current location. Your Committee believes that urging the State Foundation on Culture and the Arts to display all works of art, including by placement on the Internet, will help to fulfill the purpose of the State's purchase of art pieces by allowing more people to access the State's art collection.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 141 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1477 Ways and Means on S.R. No. 102**

The purpose and intent of this measure is to request the State Foundation on Culture and the Arts to display all works of art in its collection and to place photographs and information of the works of art on the Internet.

Your Committee finds that approximately one quarter of the works of art owned by the State are not displayed. Your Committee also finds that some members of the public may have difficulty accessing the displayed works of art, finding information on the works of art, or ascertaining a particular work of art's current location. Your Committee believes that urging the State Foundation on Culture and the Arts to display all works of art, including by placement on the Internet, will help to fulfill the purpose of the State's purchase of art pieces by allowing more people to access the State's art collection.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 102 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Sлом). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1478 Ways and Means on S.C.R. No. 194**

The purpose and intent of this measure is to encourage the establishment of a public playground that is accessible for visually-impaired children.

Your Committee finds that for visually-impaired children to play safely, playground design accommodations are necessary for their specific needs. Your Committee finds that a playground that is accessible for visually-impaired children encourages and enables these children to interact and develop social relationships with their peers in a safe, fun, and developmentally enriching environment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 194, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1479 Ways and Means on S.R. No. 148**

The purpose and intent of this measure is to encourage the establishment of a public playground that is accessible for visually-impaired children.

Your Committee finds that for visually-impaired children to play safely, playground design accommodations are necessary for their specific needs. Your Committee finds that a playground that is accessible for visually-impaired children encourages and enables these children to interact and develop social relationships with their peers in a safe, fun, and developmentally enriching environment.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 148, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1480 (Majority) Ways and Means on S.C.R. No. 195**

The purpose and intent of this measure is to support the commercial space industry in Hawaii.

Specifically, this measure:

- (1) Recognizes commercial space transportation as a strategic and timely growth industry for Hawaii;
- (2) Requests the State to take actions so that Hawaii may fully benefit from space launch operations and related aerospace enterprises; and
- (3) Requests the State to conduct its aerospace efforts in a manner that is responsive to local, environmental, community, and cultural concerns.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and seven individuals.

Your Committee finds that space launch operations and related aerospace enterprises are a timely growth industry for Hawaii. Commercial space launch operations in Hawaii will create high-paying jobs, diversify the economy, and enhance existing technology-based industries. Accordingly, your Committee believes that the State should promote and advance the development of this industry 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 concurs with the intent and purpose of S.C.R. No. 195 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 11. Noes, 1 (Ruderman). Excused, 1 (Kouchi).

**SCRep. 1481 (Majority) Ways and Means on S.R. No. 149**

The purpose and intent of this measure is to support the commercial space industry in Hawaii.

Specifically, this measure:

- (1) Recognizes commercial space transportation as a strategic and timely growth industry for Hawaii;
- (2) Requests the State to take actions so that Hawaii may fully benefit from space launch operations and related aerospace enterprises; and
- (3) Requests the State to conduct its aerospace efforts in a manner that is responsive to local, environmental, community, and cultural concerns.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and seven individuals.

Your Committee finds that space launch operations and related aerospace enterprises are a timely growth industry for Hawaii. Commercial space launch operations in Hawaii will create high-paying jobs, diversify the economy, and enhance existing technology-based industries. Accordingly, your Committee believes that the State should promote and advance the development of this industry 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 concurs with the intent and purpose of S.R. No. 149 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Ruderman). Excused, 1 (Kouchi).

**SCRep. 1482 Ways and Means on S.C.R. No. 159**

The purpose and intent of this measure is to request the Insurance Commissioner to convene a working group to explore the use of electronic transmission of insurance notices and documents.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and State Farm Mutual Automobile Insurance Company.

Your Committee finds that while Hawaii has adopted the model Uniform Electronic Transactions Act, the act does not apply to insurance documents and notices, even though consumers have indicated a preference to obtain notices and documents by electronic means.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 159, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1483 Ways and Means on S.R. No. 116**

The purpose and intent of this measure is to request the Insurance Commissioner to convene a working group to explore the use of electronic transmission of insurance notices and documents.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and State Farm Mutual Automobile Insurance Company.

Your Committee finds that while Hawaii has adopted the model Uniform Electronic Transactions Act, the act does not apply to insurance documents and notices, even though consumers have indicated a preference to obtain notices and documents by electronic means.

As 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. 116, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1484 Ways and Means on S.C.R. No. 198**

The purpose and intent of this measure is to request that steps be taken to establish a higher education learning center in Puna.

The measure requests:

- (1) The University of Hawaii at Hilo to:
  - (A) Work with the United States Pacific Basin Agricultural Research Center in establishing a higher education learning center in Puna;
  - (B) Establish an outreach program; and
  - (C) Perform a needs assessment for the higher education learning center; and
- (2) The Department of Agriculture to support and assist the University of Hawaii at Hilo in establishing a higher education learning center in Puna.

Your Committee received written comments in support of this measure from three individuals.

Your Committee finds that rural areas in the State are in need of higher education learning centers to help improve employment and entrepreneurial activities in those areas. Your Committee also finds that the district of Puna on the island of Hawaii is a prime location for establishing a higher education learning center. Such a center could identify educational and training needs in the district, design a business incubator approach to support job growth in the area, and focus on outreach to increase agriculture production and processed products for local markets utilizing emerging engineering programs. Your Committee believes that, if successful, the higher education learning center in Puna could serve as a model for other rural areas 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. 198 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1485 Ways and Means on S.R. No. 150**

The purpose and intent of this measure is to request that steps be taken to establish a higher education learning center in Puna.

The measure requests:

- (1) The University of Hawaii at Hilo to:



- (A) Work with the United States Pacific Basin Agricultural Research Center in establishing a higher education learning center in Puna;
  - (B) Establish an outreach program; and
  - (C) Perform a needs assessment for the higher education learning center; and
- (2) The Department of Agriculture to support and assist the University of Hawaii at Hilo in establishing a higher education learning center in Puna.

Your Committee received written comments in support of this measure from three individuals.

Your Committee finds that rural areas in the State are in need of higher education learning centers to help improve employment and entrepreneurial activities in those areas. Your Committee also finds that the district of Puna on the island of Hawaii is a prime location for establishing a higher education learning center. Such a center could identify educational and training needs in the district, design a business incubator approach to support job growth in the area, and focus on outreach to increase agriculture production and processed products for local markets utilizing emerging engineering programs. Your Committee believes that, if successful, the higher education learning center in Puna could serve as a model for other rural areas 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. 150 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1486 Ways and Means on S.C.R. No. 110**

The purpose and intent of this measure is to promote employment of local residents and reduce the costs of recruitment for certain job openings at the University of Hawaii.

More specifically, this measure requests the Board of Regents and the President of the University of Hawaii to give preference to local candidates when hiring for executive personnel positions at the University of Hawaii.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that the University of Hawaii has a history of hiring candidates who reside out of state to fill executive positions within the University. Recently, the University hired a search firm for a fee of up to \$90,000 to find a new Athletic Director. Your Committee further finds that there may be qualified and talented individuals who reside within or have strong ties to the State and could fill executive positions but have been overlooked by the University because of its penchant for hiring individuals from out of 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. 110, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1487 Ways and Means on S.R. No. 76**

The purpose and intent of this measure is to promote employment of local residents and reduce the costs of recruitment for certain job openings at the University of Hawaii.

More specifically, this measure requests the Board of Regents and the President of the University of Hawaii to give preference to local candidates when hiring for executive personnel positions at the University of Hawaii.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that the University of Hawaii has a history of hiring candidates who reside out of state to fill executive positions within the University. Recently, the University hired a search firm for a fee of up to \$90,000 to find a new Athletic Director. Your Committee further finds that there may be qualified and talented individuals who reside within or have strong ties to the State and could fill executive positions but have been overlooked by the University because of its penchant for hiring individuals from out of 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. 76, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1488 Ways and Means on S.C.R. No. 191**

The purpose and intent of this measure is to request the Board of Education, in consultation with the State Librarian, to explore the feasibility of activating a statewide library advisory commission.

This measure also requests the Board of Education to report its findings, recommendations, and proposed legislation, if any, to the Legislature prior to the convening of the 2014 Regular Session.

Your Committee finds that a statewide library advisory commission could increase and diversify usage of library facilities. Requesting the Board of Education to study and report on the feasibility of establishing a statewide library advisory commission would provide the Legislature with information necessary to determine whether to establish such a commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 191 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1489 Ways and Means on S.R. No. 146**

The purpose and intent of this measure is to request the Board of Education, in consultation with the State Librarian, to explore the feasibility of activating a statewide library advisory commission.

This measure also requests the Board of Education to report its findings, recommendations, and proposed legislation, if any, to the Legislature prior to the convening of the 2014 Regular Session.

Your Committee finds that a statewide library advisory commission could increase and diversify usage of library facilities. Requesting the Board of Education to study and report on the feasibility of establishing a statewide library advisory commission would provide the Legislature with information necessary to determine whether to establish such a commission.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 146 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1490 Ways and Means on S.C.R. No. 67**

The purpose and intent of this measure is to help offenders make a seamless transition from incarceration to a successful reentry into the general population.

More specifically, this measure encourages the Department of Public Safety to seriously consider the establishment and implementation of a stand-alone reentry center in Honolulu for recovering low-risk criminal offenders, which may include residential and day-reporting program options.

Your Committee received written comments in support of this measure from the Community Alliance on Prisons.

Your Committee finds that reentry centers house offenders in transitional environments while they learn to reengage with the community, find employment, and become familiar with the social services that will allow them to establish law abiding and productive lifestyles. Further, reentry centers reduce the recidivism rate and are significantly more cost-effective than hard bed incarceration.

As 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. 67, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1491 Ways and Means on S.R. No. 35**

The purpose and intent of this measure is to help persons seamlessly transition from incarceration to the general population.

More specifically, this measure encourages the Department of Public Safety to seriously consider the establishment and implementation of a stand-alone reentry center in Honolulu for recovering low-risk criminal offenders, which may include residential and day-reporting program options.

Your Committee received written comments in support of this measure from the Community Alliance on Prisons.

Your Committee finds that reentry centers house offenders in transitional environments while they learn to reengage with the community, find employment, and become familiar with the social services that will allow them to regain law-abiding and productive lifestyles. Further, reentry centers reduce the recidivism rate and are significantly more cost-effective than traditional incarceration.

As 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. 35, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1492 Ways and Means on S.C.R. No. 15**

The purpose and intent of this measure is to encourage healthy eating.

More specifically, this measure:

- (1) Requests the State to create and encourage providing nutrition guidelines for all food sold or provided on state government property, sold by vending machines or on-site vendors, or purchased and made available by government agencies for their guests at meetings;
- (2) Requests the Department of Health to establish the State Nutrition Guidelines Work Group to:

- (A) Draft model food guidelines for all state agencies;
- (B) Create a toolkit for implementing the nutrition guidelines;
- (C) Develop recommendations for implementing the guidelines in all state agencies; and
- (D) Report its findings to the 2015 Legislature.

Your Committee received written comments in support of this measure from the Department of Health and Hawaii Pacific Health.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that obesity causes higher medical costs and a lower quality of life. In Hawaii, adult obesity has doubled between 1995 and 2009, and childhood obesity has increased by thirty-eight percent between 1999 and 2009. Healthy eating is critical to reducing obesity, and the availability of healthy food choices increases people's ability to maintain a healthy weight. Your Committee also finds that the development and adoption of nutrition guidelines for state agencies would facilitate the promotion of healthy foods served at government-run facilities and functions and encourage a work environment that supports a healthy and productive workforce.

As 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. 15, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1493 Ways and Means on S.C.R. No. 18**

The purpose and intent of this measure is to urge government, non-profit, and private health care organizations to collaborate on improving the provision of obesity-related services and counseling by health care providers, as mandated under Patient Protection and Affordable Care Act guidelines.

Specifically, the measure requests the Department of Health to establish an Obesity Prevention Healthcare Reimbursement Task Force to:

- (1) Assess gaps in health care providers' ability to prevent and provide treatment for obesity-related services and counseling;
- (2) Investigate providers' reimbursement options for the provision of these services;
- (3) Educate providers about these reimbursement options;
- (4) Encourage providers' utilization of reimbursement options; and
- (5) Research how other states are implementing obesity prevention reimbursement practices.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs, Department of Health, and Hawaii Pacific Health.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that obesity is a major health and economic concern for Hawaii, which results in higher medical costs and lower quality of life. Your Committee also finds that, in 2009, over \$470,000,000 was spent on obesity-related medical expenditures in Hawaii. Unless obesity prevention and treatment services are easily accessible, such expenditures are likely to continue to increase. Your Committee further finds that passage of the federal Patient Protection and Affordable Care Act provides an opportunity to assess gaps in healthcare providers' ability to prevent and treat obesity 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 concurs with the intent and purpose of S.C.R. No. 18, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1494 Ways and Means on S.C.R. No. 158**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, nonexclusive easement covering a portion of state submerged lands, identified as tax map key (2) 4-9-17:06.

Your Committee finds that in 1993, the Board of Land and Natural Resources and Trilogy Corporation entered into a renewable, thirty-five-year lease of eighteen thousand square feet of undeveloped land. Trilogy Corporation obtained the lease for the purpose of constructing a first class pavilion at Manele Small Boat Harbor to provide arriving passengers with shelter from the elements and a comfortable venue for lunch and entertainment. Your Committee also finds that this measure satisfies the requirements of section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

Your Committee has amended this measure by:

- (1) Amending the seventh WHEREAS clause to clarify that Hawaii and Trilogy Corporation's employees on Lanai would benefit from a lease of the loading dock and adjacent submerged lands and from a delegation of authority to the Chairperson of the Board of Land and Natural Resources to negotiate its additional terms; and
- (2) Amending the BE IT RESOLVED clause to clarify that the easement is authorized for a term of thirty-five 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 concurs with the intent and purpose of S.C.R. No. 158, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 158, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1495 Ways and Means on S.C.R. No. 122**

The purpose and intent of this measure is to promote the development and expansion of Hawaii-grown agricultural commodities through increased use of irrigation water.

Specifically, this measure requests the Department of Agriculture to implement a schedule of reduced irrigation water toll rates and charges for the island of Hawaii and Hamakua district that differentiates among different irrigation system areas and agricultural users for the growing of agricultural crops and the production of livestock and poultry. The measure also requests the Department of Agriculture to report to the Legislature on the implementation of a system of reduced toll rates for the island of Hawaii and Hamakua district no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from Barbed S Ranch, Hawaii Cattlemen's Council, Maui Cattlemen's Association, Ulupono Initiative, and two individuals.

Your Committee finds that the current water toll rates and charges do not take into account the levels and amounts of water that would be appropriate for the various irrigation systems on the island of Hawaii to promote increased agricultural, livestock, and poultry production, and do not make allowances for the different classes of users who use different amounts of water for agricultural production. Your Committee believes reduced and differentiated rates for water use on Hawaii island and the Hamakua district would assist in the growth and development of the local agricultural industry and result in more efficient use of water.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1496 Ways and Means on S.R. No. 85**

The purpose and intent of this measure is to promote the development and expansion of Hawaii-grown agricultural commodities through increased use of irrigation water.

Specifically, this measure requests the Department of Agriculture to implement a schedule of reduced irrigation water toll rates and charges for the island of Hawaii and Hamakua district that differentiates among different irrigation system areas and agricultural users for the growing of agricultural crops and the production of livestock and poultry. The measure also requests the Department of Agriculture to report to the Legislature on the implementation of a system of reduced toll rates for the island of Hawaii and Hamakua district no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from the Hawaii Cattlemen's Council and the Ulupono Initiative.

Your Committee finds that the current water toll rates and charges do not take into account the levels and amounts of water that would be appropriate for the various irrigation systems on the island of Hawaii to promote increased agricultural, livestock, and poultry production, and do not make allowances for the different classes of users who use different amounts of water for agricultural production. Your Committee believes reduced and differentiated rates for water use on Hawaii island and the Hamakua district would assist in the growth and development of the local agricultural industry and result in more efficient use of water.

As 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. 85, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1497 Ways and Means on S.C.R. No. 177**

The purpose of this measure is to promote agricultural activities, increase Hawaii's food security and self-sufficiency, and ensure the availability of agriculturally suitable lands.

Specifically, this measure urges the State to purchase agricultural land currently listed for sale by the Dole Food Company, Inc.

Your Committee received written comments in support of this measure from the Agribusiness Development Corporation and The Trust for Public Land.

Your Committee finds that Dole Food Company, Inc., has listed one hundred twenty three parcels for sale, totaling approximately twenty-two thousand five hundred acres. The acquisition of these parcels would significantly increase the State's inventory of available agricultural land and provide options to enhance the economic viability of Hawaii's agricultural industry.

As 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. 177 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1498 Ways and Means on S.R. No. 133**

The purpose of this measure is to promote agricultural activities, increase Hawaii's food security and self-sufficiency, and ensure the availability of agriculturally suitable lands.

Specifically, this measure urges the State to purchase agricultural land currently listed for sale by the Dole Food Company, Inc.

Your Committee received written comments in support of this measure from the Agribusiness Development Corporation and The Trust for Public Land.

Your Committee finds that Dole Food Company, Inc., has listed one hundred twenty three parcels for sale, totaling approximately twenty-two thousand five hundred acres. The acquisition of these parcels would significantly increase the State's inventory of available agricultural land and provide options to enhance the economic viability of Hawaii's agricultural industry.

As 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. 133 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kouchi).

**SCRep. 1499 Ways and Means on S.C.R. No. 66**

The purpose and intent of this measure is to request the Hawaii State Center for Nursing to convene a working group of state agencies to review relevant statutes and administrative rules and identify barriers that may impede practice by advanced practice registered nurses in Hawaii.

Your Committee received written comments in support of this measure from the Hawaii State Center for Nursing, University of Hawaii Maui College, American Association of Nurse Practitioners, Hawaii Government Employees Association, Hawaii Long Term Care Association, and four individuals.

Your Committee received written comments on this measure from the Department of Human Services, Legislative Reference Bureau, and one individual.

Your Committee finds that there is a growing shortage of medical practitioners in Hawaii. Allowing advanced practice registered nurses to practice to the full extent of their education and training may reduce this shortage of providers, particularly in rural areas of the State. However, your Committee believes that a determination should be made on whether existing statutes and departmental rules contain provisions that may serve as barriers to practice by advanced practice registered nurses. Your Committee also believes that a working group of state agencies will be able to identify these impediments and propose amendments that will enable advanced practice registered nurses to provide care to the full extent of their education and training.

Your Committee has amended this measure by requesting a copy of the working group's report also be submitted to the Governor.

As 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. 66, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 66, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1500 Ways and Means on S.R. No. 34**

The purpose and intent of this measure is to request the Hawaii State Center for Nursing to convene a working group of state agencies to review relevant statutes and administrative rules and identify barriers that may impede practice by advanced practice registered nurses in Hawaii.

Your Committee received written comments in support of this measure from the Hawaii Government Employees Association and the Hawaii Long Term Care Association.

Your Committee received written comments on this measure from Department of Human Services and the Legislative Reference Bureau.

Your Committee finds that there is a growing shortage of medical practitioners in Hawaii. Allowing advanced practice registered nurses to practice to the full extent of their education and training may reduce this shortage of providers, particularly in rural areas of the State. However, your Committee believes that a determination should be made on whether existing statutes and departmental rules contain provisions that may serve as barriers to practice by advanced practice registered nurses. Your Committee also believes that a working group of state agencies will be able to identify these impediments and propose amendments that will enable advanced practice registered nurses to provide care to the full extent of their education and training.

Your Committee has amended this measure by requesting a copy of the working group's report also be submitted to the Governor.

As 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. 34, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 34, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1501 (Joint) Economic Development, Government Operations and Housing and Agriculture and Technology and the Arts on S.C.R. No. 99**

The purpose and intent of this measure is to support local fishing traditions and seafood production in Hawaii by recognizing the week of October 6 through 13, 2013, as "Hawaii Fishing and Seafood Week", and encouraging the people of Hawaii to recognize and support fishing traditions and seafood production 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, Fishing Tales, Fresh Catch, Maui Cooperative Fishing Association, Pacific Island Fisheries Group, Waialua Boat Club, and numerous individuals.

Your Committees find that the Hawaii Fishing and Seafood Week, started eight years ago by the Pacific Islands Fisheries Group, is a growing and important celebration of Hawaii's unique fishing traditions and the seafood industry in the State. The week-long activities include keiki participation in an art event; a fishing tournament to benefit charity; and the Hawaii Fishing and Seafood Festival, a fundraiser that brings together Hawaii's fishing and seafood communities and involves vendors, local seafood tastings, and fishing and other demonstrations. Your Committees find that Hawaii Fishing and Seafood Week should be recognized and supported because it educates the public about the importance of responsible fishing, perpetuates Hawaii's deep-rooted fishing traditions, and promotes the growth of the seafood and culinary industries in Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Agriculture, and Technology and the Arts that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 99 and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Thielen).

Agriculture  
Ayes, 4. Noes, none. Excused, 3 (English, Kouchi, Thielen).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1502 (Joint) Economic Development, Government Operations and Housing and Agriculture and Technology and the Arts on S.R. No. 65**

The purpose and intent of this measure is to support local fishing traditions and seafood production in Hawaii by recognizing the week of October 6 through 13, 2013, as "Hawaii Fishing and Seafood Week", and encouraging the people of Hawaii to recognize and support fishing traditions and seafood production 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, Fishing Tales, Fresh Catch, Maui Cooperative Fishing Association, Pacific Island Fisheries Group, Waialua Boat Club, and numerous individuals.

Your Committees find that the Hawaii Fishing and Seafood Week, started eight years ago by the Pacific Islands Fisheries Group, is a growing and important celebration of Hawaii's unique fishing traditions and the seafood industry in the State. The week-long activities include keiki participation in an art event; a fishing tournament to benefit charity; and the Hawaii Fishing and Seafood Festival, a fundraiser that brings together Hawaii's fishing and seafood communities and involves vendors, local seafood tastings, and fishing and other demonstrations. Your Committees find that Hawaii Fishing and Seafood Week should be recognized and supported because it educates the public about the importance of responsible fishing, perpetuates Hawaii's deep-rooted fishing traditions, and promotes the growth of the seafood and culinary industries in Hawaii.

As affirmed by the records of votes of the members of your Committees on Economic Development, Government Operations and Housing, Agriculture, and Technology and the Arts 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.

Economic Development, Government Operations and Housing  
Ayes, 4. Noes, none. Excused, 3 (Baker, English, Thielen).

Agriculture  
Ayes, 4. Noes, none. Excused, 3 (English, Kouchi, Thielen).

Technology and the Arts  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Tokuda).

**SCRep. 1503 Judiciary and Labor on S.C.R. No. 60**

The purpose and intent of this measure is to urge the Hawaii Public Housing Authority to initiate the sponsorship process for the United States Department of Housing and Urban Development "Step-Up" program to provide new employment and training programs for public housing residents and other low-income people.

Your Committee received testimony in support of this measure from one individual. The Hawaii Public Housing Authority submitted comments on this measure.

Your Committee finds that "Step-Up" is a national program developed by the United States Department of Housing and Urban Development in cooperation with the United States Department of Labor and the National Association of Housing and Redevelopment Offices to provide jobs and job training opportunities on Department of Housing and Urban Development assisted construction to residents of public housing and other low-income people. Public housing authorities are authorized to sponsor "Step-Up" programs,

which entails organizing and administering all components of the program, and are encouraged to work with local training providers, such as non-profits, who know and administer workforce development and job training programs.

Your Committee further finds that “Step-Up” participants can earn wages that are excluded from income for rent determination purposes. This measure will enable the Hawaii Public Housing Authority, through the “Step-Up” program, to provide real economic opportunities and upward wage earning potential, thus enabling participants to graduate from public housing to other permanent, unsubsidized housing options, which in turn frees up units for those on waiting lists.

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

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 60, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 60, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 1504      Judiciary and Labor on S.C.R. No. 149**

The purpose and intent of this measure is to urge Hawaii residents and businesses to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora and not to buy or sell ivory of unknown origin that may have been illegally smuggled into the State.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, The Humane Society of the United States, and three individuals.

Your Committee finds that African elephants and rhinoceroses are being hunted to extinction due to the high price of ivory. The Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora, adopted by the United States, banned the sale of African elephant ivory in 1989. Despite international and national bans, your Committee finds that one-third of ivory products sold in the United States have illegal origins.

According to an investigation conducted on behalf of Care for the Wild International in 2008, the United States is one of the world’s leading ivory markets and fails to comply with CITES regulations and its own domestic laws. Large quantities of worked ivory from China are illegally imported to the United States by individuals and through the Internet. According to that same report, in a survey of sixteen American cities between March to December 2006 and March to May 2007, almost half of the total ivory items for sale were found in New York City, followed by San Francisco and Greater Los Angeles. Honolulu had twenty-three outlets selling ivory with a minimum of 1,867 ivory items for sale.

Your Committee notes that ivory from elephant tusks are mainly used for carvings for decorative purposes, while uses for rhinoceros horns may also include medicinal purposes. Furthermore, while a rhinoceros does not need to be killed for its horn, poachers need to kill an elephant for its tusks. As such, this measure assists in protecting African elephants and rhinoceroses from extinction and ensures compliance with CITES as it relates to the ban on the sale of ivory products in 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 concurs with the intent and purpose of S.C.R. No. 149, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

#### **SCRep. 1505      Judiciary and Labor on S.R. No. 108**

The purpose and intent of this measure is to urge Hawaii residents and businesses to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora and not to buy or sell ivory of unknown origin that may have been illegally smuggled into the State.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, The Humane Society of the United States, and three individuals.

Your Committee finds that African elephants and rhinoceroses are being hunted to extinction due to the high price of ivory. The Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora, adopted by the United States, banned the sale of African elephant ivory in 1989. Despite international and national bans, your Committee finds that one-third of ivory products sold in the United States have illegal origins.

According to an investigation conducted on behalf of Care for the Wild International in 2008, the United States is one of the world’s leading ivory markets and fails to comply with CITES regulations and its own domestic laws. Large quantities of worked ivory from China are illegally imported to the United States by individuals and through the Internet. According to that same report, in a survey of sixteen American cities between March to December 2006 and March to May 2007, almost half of the total ivory items for sale were found in New York City, followed by San Francisco and Greater Los Angeles. Honolulu had twenty-three outlets selling ivory with a minimum of 1,867 ivory items for sale.

Your Committee notes that ivory from elephant tusks are mainly used for carvings for decorative purposes, while uses for rhinoceros horns may also include medicinal purposes. Furthermore, while a rhinoceros does not need to be killed for its horn, poachers need to kill an elephant for its tusks. As such, this measure assists in protecting African elephants and rhinoceroses from extinction and ensures compliance with CITES as it relates to the ban on the sale of ivory products in 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 concurs with the intent and purpose of S.R. No. 108, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1506 Judiciary and Labor on S.C.R. No. 162**

The purpose and intent of this measure is to urge Continental Pacific, LLC, and the State Historic Preservation Division to:

- (1) Place an immediate stay of eviction to allow residents of Kahuku Village to remain in their homes until an archaeological inventory survey can be completed for the entire condominium project; and
- (2) Ensure that the Kahuku Village project adheres to all requirements, including requirements for the treatment of burial remains and for condominium property regimes.

Your Committee received testimony in support of this measure from four individuals. Testimony in opposition to this measure was submitted by Continental Pacific, LLC. Your Committee received comments on this measure from the Department of Land and Natural Resources and Kahuku Plantation Residents Association.

Your Committee finds that Kahuku Village V currently comprises about seventy residential homes originally built for plantation workers on the makai side of Kamehameha Highway on land formerly owned by the James Campbell Estate. In 2006, Continental Pacific, LLC (Continental Pacific), purchased Kahuku Village from the James Campbell Estate with plans to convert Kahuku Village into a condominium property regime. Additionally, necessary infrastructure improvements are planned to be completed in and around the Village, such as existing and new roadway improvements, new water lines for fire protection, replacement of existing cesspools with septic tanks, and storm run-off remediation and related drainage improvements.

Your Committee further finds that in January 2012, during construction at Kahuku Village to install a road, Continental Pacific unearthed burials in an area outside of the planned construction area that was designated by permit. The issuing of permits would have triggered an archaeological inventory survey to be conducted. However, the Department of Land and Natural Resources reported that the City and County of Honolulu Department of Planning and Permitting never notified the State Historic Preservation Division when the Department of Planning and Permitting issued the permits, as required under city law. As a result, an archaeological inventory survey was never conducted prior to the start of construction. This measure assists in remedying this problem by urging the State Historic Preservation Division to work with Continental Pacific to develop and implement an archaeological inventory survey for the entire Kahuku Village project and an appropriate burial treatment plan in an expeditious manner, among other actions.

Your Committee also finds that in February 2012, Continental Pacific initiated the process of instituting a condominium property regime that would allow for the sale of single-family residential lots to the Kahuku Village occupants, many of whom are descendants from the original Kahuku Plantation workers. To date, no single-family residential lots have been sold to Kahuku Village occupants and sixteen Kahuku Village occupants have been sent eviction notices by Continental Pacific while numerous other occupants have been forced to relocate due to construction.

In light of the unearthed burials and the absence of a completed archaeological inventory survey for the entire project, your Committee has serious concerns regarding Continental Pacific's decision to initiate the sale of single-family residential lots to Kahuku Village occupants and its decision to evict occupants due to construction. Your Committee notes that under section 514B-83, Hawaii Revised Statutes, a developer is required to submit a public report containing any facts, documents, or information that would have a material impact on the use or value of a unit or any appurtenant limited common elements or amenities of the project available for an owner's use and to promptly amend the public report to reflect any pertinent or material change, or both, in required information. The unearthing of burials or results of an archaeological inventory survey may constitute such information and facts that may have a material impact on the use or value of the project pursuant to section 514B-83, Hawaii Revised Statutes. Accordingly, this measure addresses your Committee's concerns by urging Continental Pacific to place an immediate stay of eviction to allow residents of Kahuku Village to remain in their homes until an archaeological inventory survey can be completed for the entire project and requesting Continental Pacific to consult with the Real Estate Commission to ensure that the project adheres to the statutory requirements for condominium property regimes.

Your Committee has amended this measure by adopting amendments suggested by the Kahuku Plantation Residents Association that:

- (1) Deletes language indicating the State Historic Preservation Division will not grant any new permits to Continental Pacific until the developer has conducted an archaeological inventory survey;
- (2) Adds language indicating the State Historic Preservation Division believes an archaeological inventory survey must be conducted for the project area;
- (3) Adds language revealing that burials were unearthed again within the project area on March 4, 2013;
- (4) Inserts language requesting the Real Estate Commission to submit a written report to the Legislature regarding the Kahuku Village project with respect to Continental Pacific's adherence to the statutory requirements for condominium property regimes; and
- (5) Makes 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 concurs with the intent and purpose of S.C.R. No. 162, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 162, S.D. 2.

Signed by the Chair on behalf of the Committee.



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

**SCRep. 1507 Judiciary and Labor on S.R. No. 119**

The purpose and intent of this measure is to urge Continental Pacific, LLC, and the State Historic Preservation Division to:

- (1) Place an immediate stay of eviction to allow residents of Kahuku Village to remain in their homes until an archaeological inventory survey can be completed for the entire condominium project; and
- (2) Ensure that the Kahuku Village project adheres to all requirements, including requirements for the treatment of burial remains and for condominium property regimes.

Your Committee received testimony in support of this measure from four individuals. Testimony in opposition to this measure was submitted by Continental Pacific, LLC. Your Committee received comments on this measure from the Department of Land and Natural Resources and Kahuku Plantation Residents Association.

Your Committee finds that Kahuku Village V currently comprises about seventy residential homes originally built for plantation workers on the makai aide of Kamehameha Highway on land formerly owned by the James Campbell Estate. In 2006, Continental Pacific, LLC (Continental Pacific), purchased Kahuku Village from the James Campbell Estate with plans to convert Kahuku Village into a condominium property regime. Additionally, necessary infrastructure improvements are planned to be completed in and around the Village, such as existing and new roadway improvements, new water lines for fire protection, replacement of existing cesspools with septic tanks, and storm run-off remediation and related drainage improvements.

Your Committee further finds that in January 2012, during construction at Kahuku Village to install a road, Continental Pacific unearthed burials in an area outside of the planned construction area that was designated by permit. The issuing of permits would have triggered an archaeological inventory survey to be conducted. However, the Department of Land and Natural Resources reported that the City and County of Honolulu Department of Planning and Permitting never notified the State Historic Preservation Division when the Department of Planning and Permitting issued the permits, as required under city law. As a result, an archaeological inventory survey was never conducted prior to the start of construction. This measure assists in remedying this problem by urging the State Historic Preservation Division to work with Continental Pacific to develop and implement an archaeological inventory survey for the entire Kahuku Village project and an appropriate burial treatment plan in an expeditious manner, among other actions.

Your Committee also finds that in February 2012, Continental Pacific initiated the process of instituting a condominium property regime that would allow for the sale of single-family residential lots to the Kahuku Village occupants, many of whom are descendants from the original Kahuku Plantation workers. To date, no single-family residential lots have been sold to Kahuku Village occupants and sixteen Kahuku Village occupants have been sent eviction notices by Continental Pacific while numerous other occupants have been forced to relocate due to construction.

In light of the unearthed burials and the absence of a completed archaeological inventory survey for the entire project, your Committee has serious concerns regarding Continental Pacific's decision to initiate the sale of single-family residential lots to Kahuku Village occupants and its decision to evict occupants due to construction. Your Committee notes that under section 514B-83, Hawaii Revised Statutes, a developer is required to submit a public report containing any facts, documents, or information that would have a material impact on the use or value of a unit or any appurtenant limited common elements or amenities of the project available for an owner's use and to promptly amend the public report to reflect any pertinent or material change, or both, in required information. The unearthing of burials or results of an archaeological inventory survey may constitute such information and facts that may have a material impact on the use or value of the project pursuant to section 514B-83, Hawaii Revised Statutes. Accordingly, this measure addresses your Committee's concerns by urging Continental Pacific to place an immediate stay of eviction to allow residents of Kahuku Village to remain in their homes until an archaeological inventory survey can be completed for the entire project and requesting Continental Pacific to consult with the Real Estate Commission to ensure that the project adheres to the statutory requirements for condominium property regimes.

Your Committee has amended this measure by adopting amendments suggested by the Kahuku Plantation Residents Association that:

- (1) Deletes language indicating the State Historic Preservation Division will not grant any new permits to Continental Pacific until the developer has conducted an archaeological inventory survey;
- (2) Adds language indicating the State Historic Preservation Division believes an archaeological inventory survey must be conducted for the project area;
- (3) Adds language revealing that burials were unearthed again within the project area on March 4, 2013;
- (4) Inserts language requesting the Real Estate Commission to submit a written report to the Legislature regarding the Kahuku Village project with respect to Continental Pacific's adherence to the statutory requirements for condominium property regimes; and
- (5) Makes 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 concurs with the intent and purpose of S.R. No. 119, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 119, S.D. 2.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1508 (Majority) Judiciary and Labor on S.C.R. No. 135**

The purpose and intent of this measure is to urge the United States Congress to enact federal legislation or propose a constitutional amendment granting full voting rights to residents of the District of Columbia.

Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the District of Columbia has approximately 601,723 residents who share all of the responsibilities of United States citizenship, including paying federal taxes, serving on federal juries, and defending the United States as members of the United States Armed Services, yet they are denied full representation in Congress. This measure will urge Congress to allow residents of the District of Columbia to enjoy their basic American right to representation in the body that enacts the laws that govern its citizens.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee 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, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 1509 (Majority) Judiciary and Labor on S.R. No. 96**

The purpose and intent of this measure is to urge the United States Congress to enact federal legislation or propose a constitutional amendment granting full voting rights to residents of the District of Columbia.

Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the District of Columbia has approximately 601,723 residents who share all of the responsibilities of United States citizenship, including paying federal taxes, serving on federal juries, and defending the United States as members of the United States Armed Services, yet they are denied full representation in Congress. This measure will urge Congress to allow residents of the District of Columbia to enjoy their basic American right to representation in the body that enacts the laws that govern its citizens.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 96 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, 1 (Slom). Excused, none.

**SCRep. 1510 Judiciary and Labor on S.C.R. No. 124**

The purpose and intent of this measure is to request the Department of Health and the John A. Burns School of Medicine to conduct a study on states with Good Samaritan laws and their impact on decreasing drug overdose deaths.

Your Committee received testimony in support of this measure from the Department of Health, Community Alliance on Prisons, and three individuals.

Your Committee finds that many people who experience a drug overdose, or who witness a friend experiencing a drug overdose, delay seeking medical assistance out of fear of prosecution. This delay often can result in serious negative medical outcomes or death for the person experiencing the overdose. Your Committee further finds that medical amnesty is a life-saving policy that immunizes persons seeking medical assistance from criminal liability in order to ensure that medical attention is immediately sought for anyone experiencing a drug overdose. Moreover, medical amnesty makes medical safety paramount in situations where someone is experiencing an overdose and promotes a policy that is beneficial to people of 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 concurs with the intent and purpose of S.C.R. No. 124 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1511 Judiciary and Labor on S.R. No. 87**

The purpose and intent of this measure is to request the Department of Health and the John A. Burns School of Medicine to conduct a study on states with Good Samaritan laws and their impact on decreasing drug overdose deaths.

Your Committee received testimony in support of this measure from the Department of Health, Community Alliance on Prisons, and three individuals.

Your Committee finds that many people who experience a drug overdose, or who witness a friend experiencing a drug overdose, delay seeking medical assistance out of fear of prosecution. This delay often can result in serious negative medical outcomes or death for the person experiencing the overdose. Your Committee further finds that medical amnesty is a life-saving policy that immunizes persons seeking medical assistance from criminal liability in order to ensure that medical attention is immediately sought for anyone experiencing a drug overdose. Moreover, medical amnesty makes medical safety paramount in situations where someone is experiencing an overdose and promotes a policy that is beneficial to people of 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 concurs with the intent and purpose of S.R. No. 87 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, none.

**SCRep. 1512      Judiciary and Labor on S.C.R. No. 80**

The purpose and intent of this measure is to request the Hawaii State Civil Defense to conduct a study regarding what actions, if any, should be taken by the State in the interest of public safety when people refuse to leave their homes or businesses refuse to close in evacuation zones during natural disasters.

Your Committee received testimony in support of this measure from the Department of Defense. The Humane Society of the United States submitted comments on this measure.

Your Committee finds that this study will provide a closer look at the challenges faced by first responders who encounter people who refuse to leave their homes or close their businesses located in evacuation zones. This measure will provide possible solutions to these difficult situations in order to improve public safety during natural disasters.

Your Committee notes the comments submitted by The Humane Society of the United States regarding individuals with pets who refuse to leave evacuation zones, especially homeless individuals with pets. The Humane Society of the United States testified that evacuation shelters often do not allow pets, and as a result, many people refuse to leave their pets behind in the event of an evacuation. Thus, your Committee requests that the scope of the study also include individuals, including homeless individuals, with pets as well as homeless individuals without pets that refuse to leave evacuation zones.

As 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. 80 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1513      Judiciary and Labor on S.R. No. 47**

The purpose and intent of this measure is to request the Hawaii State Civil Defense to conduct a study regarding what actions, if any, should be taken by the State in the interest of public safety when people refuse to leave their homes or businesses refuse to close in evacuation zones during natural disasters.

Your Committee received testimony in support of this measure from the Department of Defense. The Humane Society of the United States submitted comments on this measure.

Your Committee finds that this study will provide a closer look at the challenges faced by first responders who encounter people who refuse to leave their homes or close their businesses located in evacuation zones. This measure will provide possible solutions to these difficult situations in order to improve public safety during natural disasters.

Your Committee notes the comments submitted by The Humane Society of the United States regarding individuals with pets who refuse to leave evacuation zones, especially homeless individuals with pets. The Humane Society of the United States testified that evacuation shelters often do not allow pets, and as a result, many people refuse to leave their pets behind in the event of an evacuation. Thus, your Committee requests that the scope of the study also include individuals, including homeless individuals, with pets as well as homeless individuals without pets that refuse to leave evacuation zones.

As 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. 47 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1514      Ways and Means on S.C.R. No. 64**

The purpose and intent of this measure is to request the Department of Budget and Finance and the Department of Accounting and General Services to invest special fund holdings into local financial institutions.

Your Committee received testimony in support of this measure from a private individual.

Your Committee received comments on this measure from the Department of Accounting and General Services, the Department of Budget and Finance, and the Department of Commerce and Consumer Affairs.

Your Committee finds that the recent economic downturn has reduced the propensity of many large financial institutions to lend money. Your Committee also finds that, for low- and middle-income families, access to credit is a major barrier to achieving goals such as self-sufficiency, homeownership, or increased education. Your Committee further finds that the addition of state funds as a capital base to credit unions and other local financial institutions would increase the institutions' ability to lend in small communities and provide a stimulus to the local economy.

Your Committee has amended this measure by:

- (1) Replacing all references to "special funds" with "non-general funds"; and
- (2) Amending the title of the measure accordingly.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 64, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 64, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1515 Ways and Means on S.C.R. No. 92**

The purpose and intent of this measure is to study the cost impacts of the public procurement process, including bid preferences, on public works construction projects in relation to promoting economy, efficiency, effectiveness, and impartiality in state and county procurement.

Specifically, the measure requests the Comptroller to assemble a task force of stakeholders to analyze various effects of the state procurement code, propose amendments, and report its findings to the Legislature.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, State Procurement Office, Office of Hawaiian Affairs, and the General Contractors Association of Hawaii.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that Hawaii's public procurement code has been subject to numerous statutory changes over the years, creating a complex process for public agencies to purchase goods and services.

Your Committee believes that it would be beneficial for a task force of interested parties to undertake a review of the procurement process to identify factors that may cause delays or cost increases, in order to improve the efficiency of public procurement in Hawaii.

Your Committee has amended this measure by clarifying, in the description of the public procurement process, that the Procurement Policy Board adopts rules to implement procurement law and the State Procurement Office implements the law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 92, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 92, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1516 Ways and Means on S.R. No. 58**

The purpose and intent of this measure is to study the cost impacts of the public procurement process, including bid preferences, on public works construction projects in relation to promoting economy, efficiency, effectiveness, and impartiality in state and county procurement.

Specifically, the measure requests the Comptroller to assemble a task force of stakeholders to analyze various effects of the state procurement code, propose amendments, and report its findings to the Legislature.

Your Committee received written comments in support of this measure from the Department of Accounting and General Services, State Procurement Office, Office of Hawaiian Affairs, and the General Contractors Association of Hawaii.

Your Committee received written comments on this measure from the Department of Education.

Your Committee finds that Hawaii's public procurement code has been subject to numerous statutory changes over the years, creating a complex process for public agencies to purchase goods and services.

Your Committee believes that it would be beneficial for a task force of interested parties to undertake a review of the procurement process to identify factors that may cause delays or cost increases, in order to improve the efficiency of public procurement in Hawaii.

Your Committee has amended this measure by clarifying, in the description of the public procurement process, that the Procurement Policy Board adopts rules to implement procurement law and the State Procurement Office implements the law.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 58, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 58, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1517 Ways and Means on S.C.R. No. 137**

The purpose and intent of this measure is to develop housing solutions for homeless Native Hawaiian families.

More specifically, this measure requests the:

- (1) Coordinator on Homelessness to assemble a working group to develop housing solutions, investigate suitable and available federal, state, county, and private lands for innovative housing projects, and prepare a plan to develop a demonstration housing project for homeless Native Hawaiian families; and
- (2) Working group to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments on this measure from the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

Your Committee finds that a disproportionate percentage of homeless in the State are Native Hawaiian individuals and families. Innovative housing solutions are necessary to provide these families with stable housing and access to support services to resolve underlying socioeconomic issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 137, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1518 Ways and Means on S.R. No. 98**

The purpose and intent of this measure is to develop housing solutions for homeless Native Hawaiian families.

More specifically, this measure requests the:

- (1) Coordinator on Homelessness to assemble a working group to develop housing solutions, investigate suitable and available federal, state, county, and private lands for innovative housing projects, and prepare a plan to develop a demonstration housing project for homeless Native Hawaiian families; and
- (2) Working group to report its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from one individual.

Your Committee received written comments on this measure from the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs.

Your Committee finds that a disproportionate percentage of homeless in the State are Native Hawaiian individuals and families. Innovative housing solutions are necessary to provide these families with stable housing and access to support services to resolve underlying socioeconomic issues.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 98, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1519 Ways and Means on S.C.R. No. 101**

The purpose and intent of this measure is to authorize, pursuant to section 171-53, Hawaii Revised Statutes, the issuance of a fifty-five-year nonexclusive easement covering a portion of state submerged lands for seawall and step purposes.

Your Committee finds that the successor trustee of the subject property requested an easement to resolve the encroachment of the property's seawall into state submerged lands. On December 14, 2012, under agenda item D-16, the Board of Land and Natural Resources approved the request for the easement for seawall and step purposes. Your Committee further finds that this measure satisfies section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee 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, 13. Noes, none. Excused, none.

**SCRep. 1520 Ways and Means on S.C.R. No. 103**

The purpose and intent of this measure is to authorize, pursuant to section 171-53, Hawaii Revised Statutes, the issuance of a fifty-five-year nonexclusive easement to the owners of the abutting property identified by tax map key: (1) 6-1-003:0024-0001.

Your Committee finds that the owners of the subject property requested an easement to resolve the encroachment of the property's seawall into state submerged lands. On January 11, 2013, under agenda item D-13, the Board of Land and Natural Resources approved the request for the fifty-five-year easement. Your Committee further finds that this measure satisfies section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 103 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 13. Noes, none. Excused, none.

**SCRep. 1521 Ways and Means on S.C.R. No. 104**

The purpose and intent of this measure is to protect humpback whales in state waters.

More specifically, this measure requests the Department of Land and Natural Resources to:

- (1) Collaborate with the National Oceanic and Atmospheric Administration to form a plan to protect humpback whales from vessel strikes within the Hawaiian Islands Humpback Whale National Marine Sanctuary (Marine Sanctuary);
- (2) Report to the Legislature, with the assistance of the National Oceanic and Atmospheric Administration, a plan for the Marine Sanctuary to address the threat from whale-vessel contacts, no later than twenty days before the convening of the Regular Session of 2014; and

- (3) Report annually to the Legislature, beginning June 1, 2014, on confirmed whale-vessel contacts within the Marine Sanctuary in the preceding twelve months.

Your Committee finds that the humpback whale is protected by the Federal Endangered Species Act and the Marine Mammal Protection Act. Each year, approximately ten thousand humpback whales migrate to Hawaii's waters. Your Committee finds that, between the years of 1979 and 2013, there have been eighty confirmed contacts between whales and marine vessels and that these contacts cause significant harm to the whales. Accordingly, this measure encourages the creation of a permanent plan to protect humpback whales from vessel strikes.

As 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. 104, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 1522 Ways and Means on S.R. No. 70**

The purpose and intent of this measure is to protect humpback whales in state waters.

More specifically, this measure requests the Department of Land and Natural Resources to:

- (1) Collaborate with the National Oceanic and Atmospheric Administration to form a plan to protect humpback whales from vessel strikes within the Hawaiian Islands Humpback Whale National Marine Sanctuary (Marine Sanctuary);
- (2) Report to the Legislature, with the assistance of the National Oceanic and Atmospheric Administration, a plan for the Marine Sanctuary to address the threat from whale-vessel contacts, no later than twenty days before the convening of the Regular Session of 2014; and
- (3) Report annually to the Legislature, beginning June 1, 2014, on confirmed whale-vessel contacts within the Marine Sanctuary in the preceding twelve months.

Your Committee finds that the humpback whale is protected by the Federal Endangered Species Act and the Marine Mammal Protection Act. Each year, approximately ten thousand humpback whales migrate to Hawaii's waters. Your Committee finds that, between the years of 1979 and 2013, there have been eighty confirmed contacts between whales and marine vessels and that these contacts cause significant harm to the whales. Accordingly, this measure encourages the creation of a permanent plan to protect humpback whales from vessel strikes.

As 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. 70, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 13. Noes, none. Excused, none.

**SCRep. 1523 Ways and Means on S.C.R. No. 111**

The purpose and intent of this measure is to support the coordination of a statewide system of aging and caregiver support services in the State.

More specifically, this measure requests the Executive Office on Aging to:

- (1) Continue its research on timebanking as a sustainable and alternative currency system that will enhance and strengthen Hawaii's respite system; and
- (2) Submit a report on its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received written comments in support of this measure from the Executive Office on Aging.

Your Committee finds that alternative forms of currency to support increasing community needs for respite care services improve many identified service gaps. Accordingly, your Committee finds that timebanking may offer a more sustainable provision of social services and that further research and investigation is needed to determine its viability.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 111 and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1524 (Majority) Ways and Means on S.C.R. No. 121**

The purpose of this measure is to seek an exemption from federal law to ensure stable and continuing airline service throughout the State.

Specifically, this measure requests Hawaii's congressional delegation to propose amendments to the federal Airline Deregulation Act to exempt Hawaii from federal preemption of state regulation of air transportation.

Your Committee finds that the Airline Deregulation Act of 1978 was enacted to promote market competition among airlines to foster lower prices and greater efficiency, innovation, variety, and service quality. To ensure that the states would not enact laws undermining federal deregulation, the Airline Deregulation Act included a preemption provision, codified in Title 49 United States Code Section 41713(b)(1), prohibiting states and their political subdivisions from enacting or enforcing any law affecting air carrier

rates, routes, or services. However, preemption under the federal Act does not apply to air transportation provided entirely in Alaska because of a specific statutory exemption granted to Alaska. This measure requests Hawaii's congressional delegation to propose an amendment to the Airline Deregulation Act that would allow the State to limit monopoly pricing and ensure service to less profitable air routes, particularly in light of the significant use of airlines for interisland transportation and the relative lack of competition among interisland air carriers.

As 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 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 1525 (Majority Ways and Means on S.R. No. 84**

The purpose of this measure is to seek an exemption from federal law to ensure stable and continuing airline service throughout the State.

Specifically, this measure requests Hawaii's congressional delegation to propose amendments to the federal Airline Deregulation Act to exempt Hawaii from federal preemption of state regulation of air transportation.

Your Committee finds that the Airline Deregulation Act of 1978 was enacted to promote market competition among airlines to foster lower prices and greater efficiency, innovation, variety, and service quality. To ensure that the states would not enact laws undermining federal deregulation, the Airline Deregulation Act included a preemption provision, codified in Title 49 United States Code Section 41713(b)(1), prohibiting states and their political subdivisions from enacting or enforcing any law affecting air carrier rates, routes, or services. However, preemption under the federal Act does not apply to air transportation provided entirely in Alaska because of a specific statutory exemption granted to Alaska. This measure requests Hawaii's congressional delegation to propose an amendment to the Airline Deregulation Act that would allow the State to limit monopoly pricing and ensure service to less profitable air routes, particularly in light of the significant use of airlines for interisland transportation and the relative lack of competition among interisland air carriers.

As 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. 84 and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 1526 Ways and Means on S.C.R. No. 129**

The purpose and intent of this measure is to request the Insurance Commissioner to form a working group to study insurance recoupment.

Your Committee received written comments in support of this measure from one individual.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, the Department of Human Services, and one individual.

Your Committee finds that Hawaii has no laws that limit the time period in which a health insurance plan may seek recoupment for benefits that have been paid in error to a health care provider. Without such laws, the lack of a time limit on insurance recoupment results in an ongoing, open-ended liability for health care providers, which undermines their ability to build upon and plan a viable, economically feasible practice.

As 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, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1527 Ways and Means on S.R. No. 91**

The purpose and intent of this measure is to request the Insurance Commissioner to form a working group to study insurance recoupment.

Your Committee received written comments in support of this measure from one individual.

Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, the Department of Human Services, and one individual.

Your Committee finds that Hawaii has no laws that limit the time period in which a health insurance plan may seek recoupment for benefits that have been paid in error to a health care provider. Without such laws, the lack of a time limit on insurance recoupment results in an ongoing, open-ended liability for health care providers, which undermines their ability to build upon and plan a viable, economically feasible practice.

As 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. 91, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1528 Ways and Means on S.C.R. No. 151**

The purpose and intent of this measure is to examine social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

More specifically, this measure requests the:

- (1) Senate President and the Speaker of the House to establish a work group to examine the social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals;
- (2) Work group to submit a preliminary report and a final report of its findings and recommendation, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014 and 2015, respectively; and
- (3) Office of the Healthcare Transformation Coordinator, in partnership with the Legislature, to assist with the work group by providing a facilitator.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs and the Department of Health.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that social determinants such as, homelessness, language barriers, abuse, unemployment, and poverty complicate the ability to address individual and community health concerns and the ability to identify, address, and treat health problems. Accordingly, your Committee finds that identifying and analyzing the impact of these determinants is vital to addressing the needs of the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 151, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1529 Ways and Means on S.R. No. 110**

The purpose and intent of this measure is to examine social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

More specifically, this measure requests the:

- (1) Senate President and the Speaker of the House to establish a work group to examine the social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals;
- (2) Work group to submit a preliminary report and a final report of its findings and recommendation, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014 and 2015, respectively; and
- (3) Office of the Healthcare Transformation Coordinator, in partnership with the Legislature, to assist with the work group by providing a facilitator.

Your Committee received written comments in support of this measure from the Department of Commerce and Consumer Affairs.

Your Committee received written comments on this measure from the Department of Human Services.

Your Committee finds that social determinants such as homelessness, language barriers, abuse, unemployment, and poverty complicate the ability to address individual and community health concerns and the ability to identify, address, and treat health problems. Accordingly, your Committee finds that identifying and analyzing the impact of these determinants is vital to addressing the needs of the community.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 110, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1530 Ways and Means on S.C.R. No. 155**

The purpose and intent of this measure is to support the development of a stroke care plan system in Hawaii.

More specifically, the measure requests the:

- (1) Department of Health to convene a task force to establish a stroke system of care that includes a statewide stroke database and registry by December 31, 2015;
- (2) Task force to propose necessary legislation to support Hawaii's stroke care continuum; and
- (3) Task force to submit an initial report to the Legislature by December 31, 2013, and a final report no later than twenty days prior to the convening of the Regular Session of 2015, on the task force's actions and progress, including findings, recommendations, and any proposed legislation and funding levels, to establish a stroke system of care that includes the creation of a statewide stroke database and registry.



Your Committee received written comments in support of this measure from Hawaii Pacific Health.

Your Committee finds that strokes are the leading cause of chronic disability among adults in the State. Accordingly, your Committee finds that a stroke system of care will improve the overall care of stroke patients, increase patients' chances of survival, and decrease the incidence of long-term disabilities associated with having a stroke.

As 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, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1531 Ways and Means on S.R. No. 113**

The purpose and intent of this measure is to support the development of a stroke care plan system in Hawaii.

More specifically, the measure requests the:

- (1) Department of Health to convene a task force to establish a stroke system of care that includes a statewide stroke database and registry by December 31, 2015;
- (2) Task force to propose necessary legislation to support Hawaii's stroke care continuum; and
- (3) Task force to submit an initial report to the Legislature by December 31, 2013, and a final report no later than twenty days prior to the convening of the Regular Session of 2015, on the task force's actions and progress, including findings, recommendations, and any proposed legislation and funding levels, to establish a stroke system of care that includes the creation of a statewide stroke database and registry.

Your Committee received written comments in support of this measure from Hawaii Pacific Health.

Your Committee finds that strokes are the leading cause of chronic disability among adults in the State. Accordingly, your Committee finds that a stroke system of care will improve the overall care of stroke patients, increase patients' chances of survival, and decrease the incidence of long-term disabilities associated with having a stroke.

As 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. 113, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1532 Ways and Means on S.R. No. 136**

The purpose and intent of this measure is to request the President of the Senate to establish a working group to discuss strategies for the development and expansion of geothermal energy and technology.

Your Committee received written comments in support of this measure from Indigenous Consultants, LLC. Written comments in opposition to this measure were received from two individuals. Written comments on this measure were received from the Department of Business, Economic Development, and Tourism.

Your Committee finds that the State needs a sound, comprehensive strategy to ensure that geothermal energy is developed in an economically feasible manner that protects public health, the environment, and cultural rights.

Your Committee has amended this measure by:

- (1) Requesting the Governor, rather than the President of the Senate, to establish the working group and select the representatives of the geothermal industry and the affected community in the County of Hawaii;
- (2) Deleting the request to have the President of the Senate make a designated conference room in the State Capitol available to the working group; and
- (3) Amending the title of the measure to reflect the amended purpose.

As 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. 136, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 136, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9; Ayes with Reservations (Ruderman). Noes, none. Excused, 4 (Dela Cruz, English, Tokuda, Slom).

**SCRep. 1533 Ways and Means on S.C.R. No. 132**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to establish a formal association with the RISE 21<sup>st</sup> Century After School Program. In addition, the measure requests the University of Hawaii at Hilo to provide in its budget funding for the RISE program.

Your Committee received written comments in support of this measure from five individuals.

Your Committee finds that youth in the Keaukaha and Panaewa Hawaiian Homestead areas face significant challenges including exposure to drugs, alcohol, abuse, poverty, suicide, and domestic violence. A relationship between RISE and the University of Hawaii will further promote the RISE program, help offset damaging influences to Hawaiian youth, and provide those youth with the opportunity to recognize their potential for completing higher education and engaging in successful career opportunities.

Your Committee has amended this measure by:

- (1) Removing the request that the University of Hawaii at Hilo provide funding for the RISE 21<sup>st</sup> Century After School Program and making a corresponding amendment to the title; and
- (2) Clarifying the formal relationship requested to be established between RISE and the University of Hawaii at Hilo.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 132, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 132, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1534 Ways and Means on S.R. No. 94**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to establish a formal association with the RISE 21<sup>st</sup> Century After School Program. In addition, the measure requests the University of Hawaii at Hilo to provide in its budget funding for the RISE program.

Your Committee received written comments in support of this measure from five individuals.

Your Committee finds that youth in the Keaukaha and Panaewa Hawaiian Homestead areas face significant challenges including exposure to drugs, alcohol, abuse, poverty, suicide, and domestic violence. A relationship between RISE and the University of Hawaii will further promote the RISE program, help offset damaging influences to Hawaiian youth, and provide those youth with the opportunity to recognize their potential for completing higher education and engaging in successful career opportunities.

Your Committee has amended this measure by:

- (1) Removing the request that the University of Hawaii at Hilo provide funding for the RISE 21<sup>st</sup> Century After School Program and making a corresponding amendment to the title; and
- (2) Clarifying the formal relationship requested to be established between RISE and the University of Hawaii at Hilo.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 94, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 94, S.D. 1.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1535 (Majority) Ways and Means on S.C.R. No. 154**

The purpose and intent of this measure is to request the Auditor to assess the social and financial effects of requiring health insurers in Hawaii to cover tobacco use cessation treatments.

Your Committee received written comments in support of this measure from Tobacco-Free Hawaii.

Your Committee received written comments on this measure from the Department of Health.

Your Committee finds that smoking is costly to employers and the State in terms of smoking-related medical expenses and lost productivity. Your Committee further finds that smoking is the leading preventable cause of death in the United States. Tobacco use cessation treatments that include counseling are more effective at helping people stop using tobacco products than the mere provision of educational or self-help materials.

Senate Bill No. 654 (2013) mandates all individuals and group accident and health or sickness insurance policies to provide tobacco use cessation treatment coverage with no copayment, deductible, or coinsurance restrictions. Your Committee finds that this concurrent resolution is necessary to fulfill the conditions of section 23-51, Hawaii Revised Statutes, which requires a concurrent resolution to be passed to request the Auditor to submit an assessment to the Legislature of the social and financial effects of any mandated health insurance benefit.

As 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. 154, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 11. Noes, 1 (Slom). Excused, 1 (Kouchi).

**SCRep. 1536 Ways and Means on S.C.R. No. 102**

The purpose and intent of this measure is to request the Auditor to conduct an audit of the Kapiolani Park Trust to evaluate its governance structure and to identify the permissible uses of the park lands, including delineating any limitations on commercial or other inconsistent uses that may fall outside the scope of the trust's purpose or may constitute waste of the trust property.

Your Committee received written comments in support of this measure from two individuals. The City and County of Honolulu submitted written comments in opposition to the measure.

Your Committee finds that, in 1896, Kapiolani Park was established as a public charitable trust to be maintained as a free public park and recreation ground for the general public. The State has a significant interest in ensuring that the Kapiolani Park Trust is executed in a manner that is consistent with the trust's purpose. Your Committee believes that the Auditor's report requested by this

measure will better enable the general public, as sole beneficiary of the Kapiolani Park Trust, and the members of the Honolulu City Council, as trustees, to identify acceptable uses of Kapiolani Park and to maintain transparency and accountability.

Your Committee has amended this measure by deleting the eleventh, twelfth, and thirteenth WHEREAS clauses.

As 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. 102, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 102, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 10. Noes, none. Excused, 3 (Chun Oakland, Dela Cruz, Tokuda).

**SCRep. 1537 Ways and Means on S.C.R. No. 29**

The purpose and intent of this measure is to urge the Department of Accounting and General Services to convene a working group to choose a location for, build, and operate an informational kiosk for the public in the Hawaii Capital Historic District.

Your Committee received written comments in opposition to this measure from the Hawaii Tourism Authority. The Department of Accounting and General Services submitted written comments.

Your Committee finds that the Hawaii Capital Historic District contains an array of unique historic sites, each pivotal to the social and political legacy of the State. These historic sites, including Iolani Palace, the State Capitol Building, and the Kamehameha Statue, are important visitor destinations for tourists and residents alike. However, your Committee also finds that, due to funding constraints and advertisement costs, many of the nonprofit foundations that support these historic sites cannot afford sufficient publicity for their exhibits and presentations. Your Committee believes that an information kiosk could assist the nonprofit foundations that support these historic sites by providing a greater public understanding of the historic trajectory of Hawaii and its significance to national and international affairs.

Your Committee has amended this measure by:

- (1) Urging the Hawaii State Foundation on Culture and the Arts, rather than the Department of Accounting and General Services, to convene the working group; and
- (2) Including the Department of Accounting and General Services among the entities that are requested to be members of the working group.

As 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. 29, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 29, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Tokuda, Slom).

**SCRep. 1538 Ways and Means on S.R. No. 10**

The purpose and intent of this measure is to urge the Department of Accounting and General Services to convene a working group to choose a location for, build, and operate an informational kiosk for the public in the Hawaii Capital Historic District.

Your Committee received written comments in opposition to this measure from the Hawaii Tourism Authority. The Department of Accounting and General Services submitted written comments.

Your Committee finds that the Hawaii Capital Historic District contains an array of unique historic sites, each pivotal to the social and political legacy of the State. These historic sites, including Iolani Palace, the State Capitol Building, and the Kamehameha Statue, are important visitor destinations for tourists and residents alike. However, your Committee also finds that, due to funding constraints and advertisement costs, many of the nonprofit foundations that support these historic sites cannot afford sufficient publicity for their exhibits and presentations. Your Committee believes that an information kiosk could assist the nonprofit foundations that support these historic sites by providing a greater public understanding of the historic trajectory of Hawaii and its significance to national and international affairs.

Your Committee has amended this measure by:

- (1) Urging the Hawaii State Foundation on Culture and the Arts, rather than the Department of Accounting and General Services, to convene the working group; and
- (2) Including the Department of Accounting and General Services among the entities that are requested to be members of the working group.

As 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. 10, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 10, S.D. 2.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Tokuda, Slom).

**SCRep. 1539 Ways and Means on S.C.R. No. 147**

The purpose and intent of this measure is to request the Board of Education to establish a coalition to address the issue of developing Hawaiian language assessments for Hawaiian language immersion students and to submit a report to the Legislature.

This measure also urges the United States Department of Education to approve a waiver from selected No Child Left Behind requirements to allow for the most appropriate assessments and academic content standards for the Hawaii language immersion program.

Your Committee received written comments in support of this measure from the Department of Education and the Office of Hawaiian Affairs.

Your Committee finds that the translated versions of the Hawaii State Assessment for Hawaiian language immersion students contain numerous cultural and translation biases, translation inaccuracies, and inconsistent terms. Your Committee believes that establishing a coalition to address the issues relating to the translated assessments and to submit a report to the Legislature will establish a path to developing appropriate assessments written in the Hawaiian language, which will permit a more accurate assessment of immersion students' achievements and abilities.

Your Committee has amended this measure by:

- (1) Replacing the representative from 'Aha Pūnana Leo with a representative from 'Aha Kauleo as a member of the coalition; and
- (2) Clarifying that it is the State making the request for a federal waiver from certain requirements of No Child Left Behind.

As 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, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1540 Ways and Means on S.R. No. 107**

The purpose and intent of this measure is to request the Board of Education to establish a coalition to address the issue of developing Hawaiian language assessments for Hawaiian language immersion students and to submit a report to the Legislature.

This measure also urges the United States Department of Education to approve a waiver from selected No Child Left Behind requirements to allow for the most appropriate assessments and academic content standards for the Hawaii language immersion program.

Your Committee received written comments in support of this measure from the Department of Education.

Your Committee finds that the translated versions of the Hawaii State Assessment for Hawaiian language immersion students contain numerous cultural and translation biases, translation inaccuracies, and inconsistent terms. Your Committee believes that establishing a coalition to address the issues relating to the translated assessments and to submit a report to the Legislature will establish a path to developing appropriate assessments written in the Hawaiian language, which will permit a more accurate assessment of immersion students' achievements and abilities.

Your Committee has amended this measure by:

- (1) Replacing the representative from 'Aha Pūnana Leo with a representative from 'Aha Kauleo as a member of the coalition; and
- (2) Clarifying that it is the State making the request for a federal waiver from certain requirements of No Child Left Behind.

As 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. 107, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 107, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1541 Ways and Means on S.C.R. No. 199**

The purpose and intent of this measure is to urge the Board of Regents to establish a three-year moratorium on any increases in resident tuition for the University of Hawaii, effective July 1, 2014.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that the tuition and fees at the University of Hawaii have steadily increased during the past five years and at a rate much higher than the national average for other public universities. These substantial tuition increases may discourage residents from attending the University of Hawaii. Accordingly, your Committee believes that a moratorium on resident tuition increases would enable more Hawaii residents to enroll at the University and make higher education more accessible and affordable for state residents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 199, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1542 Ways and Means on S.R. No. 151**

The purpose and intent of this measure is to urge the Board of Regents to establish a three-year moratorium on any increases in resident tuition for the University of Hawaii, effective July 1, 2014.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that the tuition and fees at the University of Hawaii have steadily increased during the past five years and at a rate much higher than the national average for other public universities. These substantial tuition increases may discourage residents from attending the University of Hawaii. Accordingly, your Committee believes that a moratorium on resident tuition increases would enable more Hawaii residents to enroll at the University and make higher education more accessible and affordable for state residents.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 151, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.  
Ayes, 12. Noes, none. Excused, 1 (Kouchi).

**SCRep. 1543 Ways and Means on S.C.R. No. 120**

The purpose and intent of this measure is to promote greater awareness of dyslexia.

More specifically, this measure requests the Board of Education and the Department of Education to:

- (1) Evaluate the following:
  - (A) The promotion of dyslexia awareness;
  - (B) Professional development available to educators to support students with dyslexia or other literacy challenges; and
  - (C) Recommended staffing options and funding required to create licensed literary specialist positions;
- (2) Collaborate with the University of Hawaii and the Hawaii Teacher Standards Board on the feasibility of licensing requirements for literary specialists;
- (3) Establish targeted complex area resources to strengthen comprehensive student support systems; and
- (4) Submit a written report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014, on the status of its efforts to provide comprehensive support services for students with dyslexia and other literacy challenges.

Your Committee received written comments in support of this measure from the Department of Education, Hawaii Branch of the International Dyslexia Association, Hawaii Learning Resource, Learning Disabilities Association of Hawaii, Straub Mililani Clinic, Special Education Advisory Council, Hawaii Association of Independent Schools, and sixteen individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that the working group established by Senate Concurrent Resolution No. 110, Regular Session of 2010, submitted the Comprehensive Plan for Teaching Reading in Hawaii Schools, that addresses dyslexia awareness and literacy instruction. This measure addresses the issues raised by the working group, including raising dyslexia awareness and providing a comprehensive student literacy support system at every public school. Your Committee believes that this measure will enable the Department of Education to equip educators to help all of Hawaii's children learn to read.

Your Committee has amended this measure by replacing the word "literary" with "literacy" 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 concurs with the intent and purpose of S.C.R. No. 120, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 120, S.D. 2.

Signed by the Chair on behalf of the Committee.  
Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Tokuda, Slom).

**SCRep. 1544 (Joint) Higher Education and Health on S.C.R. No. 161**

The purpose and intent of this measure is to request the administration of the University of Hawaii System to establish and implement a tobacco-free policy for all University of Hawaii System campuses and facilities.

Your Committees received testimony in support of this measure from the Department of Health; University of Hawaii at Manoa Student Health Advisory Council; Coalition for a Tobacco-Free Hawai'i, American Heart Association; American Cancer Society Cancer Action Network; Hawaii Government Employees Association, Local 152, AFL-CIO (HGEA); and nineteen individuals.

Your Committees find that creating tobacco-free campuses is a growing trend in the United States. The American Nonsmokers' Rights Foundation reports that as of January 1, 2013, nearly eight hundred colleges and universities across the United States had adopted policies that require one hundred percent tobacco-free campuses, including all campuses in the University of California System, University of Oregon, and University of Arkansas, to name a few.

Your Committees request that the University of Hawaii System work with HGEA to address concerns regarding providing tobacco cessation education and assistance on campus.

Your Committees have amended this measure by:

- (1) Clarifying that the University of Hawaii's Executive Policy E10.102 on Tobacco Products was updated in April 2012 and making conforming amendments;
- (2) Clarifying that while the updated Executive Policy E10.102 prohibits smoking under certain circumstances, it does not make all University of Hawaii campuses tobacco-free;
- (3) Adding language to require that certified copies of this measure be sent to the Chancellors of each campus in the University of Hawaii System; 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 Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 161, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 161, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

Health

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

**SCRep. 1545 (Joint) Higher Education and Health on S.R. No. 118**

The purpose and intent of this measure is to request the administration of the University of Hawaii System to establish and implement a tobacco-free policy for all University of Hawaii System campuses and facilities.

Your Committees received testimony in support of this measure from the Department of Health; University of Hawaii at Manoa Student Health Advisory Council; Coalition for a Tobacco-Free Hawai'i, American Heart Association; American Cancer Society Cancer Action Network; Hawaii Government Employees Association, Local 152, AFL-CIO (HGEA); and nineteen individuals.

Your Committees find that creating tobacco-free campuses is a growing trend in the United States. The American Nonsmokers' Rights Foundation reports that as of January 1, 2013, nearly eight hundred colleges and universities across the United States had adopted policies that require one hundred percent tobacco-free campuses, including all campuses in the University of California System, University of Oregon, and University of Arkansas, to name a few.

Your Committees request that the University of Hawaii System work with HGEA to address concerns regarding providing tobacco cessation education and assistance on campus.

Your Committees have amended this measure by:

- (1) Clarifying that the University of Hawaii's Executive Policy E10.102 on Tobacco Products was updated in April 2012 and making conforming amendments;
- (2) Clarifying that while the updated Executive Policy E10.102 prohibits smoking under certain circumstances, it does not make all University of Hawaii campuses tobacco-free;
- (3) Adding language to require that certified copies of this measure be sent to the Chancellors of each campus in the University of Hawaii System; 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 Higher Education and Health that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 118, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 118, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 4. Noes, none. Excused, 3 (Ige, Tokuda, Slom).

Health

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

**SCRep. 1546 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.C.R. No. 201**

The purpose and intent of this measure is to request the Department of Land and Natural Resources to establish a task force to consider and make recommendations on the re-use of R-1 water for agricultural purposes in Central Oahu.

Your Committees received testimony in support of this measure, as introduced, from three individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources.

Prior to the hearing on this measure, your Committees made available for public review a proposed S.D. 1, which deletes the contents of this measure, as introduced, and replaces them with language to request the Department of Land and Natural Resources to negotiate in good faith with the County of Hawaii to lease to the County of Hawaii:

- (1) Mauna Kea State Recreational Area, identified as tax map key SRA 4-4-16:03 por., located in the County of Hawaii, including land located within Mauna Kea State Recreational Area that is used for roads, streets, or highways; and
- (2) Hapuna Beach Park, identified as tax map key SRA 6-6-02:35 and 6-06-02:41 por., located in the County of Hawaii, including land located within Hapuna Beach Park that is used for roads, streets, or highways.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources, Mayor of the County of Hawai'i, and Hawai'i County Council.

Your Committees find that the County of Hawaii is an appropriate steward of the Mauna Kea State Recreational Area and Hapuna Beach Park. Leasing, rather than transferring in fee simple, the Mauna Kea State Recreational Area and Hapuna Beach Park to the

County of Hawaii ensures that the public lands are held, managed, and operated for the public's best interest, while yielding income to the County of Hawaii and the State of Hawaii.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by deleting the reference to the blank percentage of gross revenues to be deposited into the state parks special fund and replacing it with a reference to an agreed-upon percentage.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 201, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 201, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Dela Cruz, Ihara).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 1547 (Joint) Water and Land and Public Safety, Intergovernmental and Military Affairs on S.R. No. 48**

The purpose and intent of this measure is to request the Auditor to conduct a follow-up audit of a previous audit on the management of state boating facilities by the Department of Land and Natural Resources (DLNR) and a portion of a previous financial audit of DLNR relating to the Division of Boating and Ocean Recreation, particularly as it relates to the Ala Wai small boat harbor.

Your Committees did not receive any testimony on this measure as introduced.

Prior to the hearing on this measure, your Committees made available for public review a proposed S.D. 1, which deletes the contents of this measure, as introduced, and replaces them with language to request the Department of Land and Natural Resources to negotiate in good faith with the County of Hawaii to lease to the County of Hawaii:

- (1) Mauna Kea State Recreational Area, identified as tax map key SRA 4-4-16:03 por., located in the County of Hawaii, including land located within Mauna Kea State Recreational Area that is used for roads, streets, or highways; and
- (2) Hapuna Beach Park, identified as tax map key SRA 6-6-02:35 and 6-06-02:41 por., located in the County of Hawaii, including land located within Hapuna Beach Park that is used for roads, streets, or highways.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Land and Natural Resources, Mayor of the County of Hawai'i, and Hawai'i County Council.

Your Committees find that the County of Hawaii is an appropriate steward of the Mauna Kea State Recreational Area and Hapuna Beach Park. Leasing, rather than transferring in fee simple, the Mauna Kea State Recreational Area and Hapuna Beach Park to the County of Hawaii ensures that the public lands are held, managed, and operated for the public's best interest, while yielding income to the County of Hawaii and the State of Hawaii.

Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by deleting the reference to the blank percentage of gross revenues to be deposited into the State parks special fund and replacing it with a reference to an agreed-upon percentage.

As affirmed by the records of votes of the members of your Committees on Water and Land and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 48, as amended herein, and recommend its adoption in the form attached hereto as S.R. No. 48, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Water and Land

Ayes, 5; Ayes with Reservations (Thielen). Noes, none. Excused, 2 (Dela Cruz, Ihara).

Public Safety, Intergovernmental and Military Affairs

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

**SCRep. 1548 (Joint/Majority) Energy and Environment and Water and Land on S.C.R. No. 123**

The purpose and intent of this measure is to oppose the practice of hydraulic fracturing.

Your Committees received testimony in support of this measure from Puna Pono Alliance; Na Kupuna Moku O Keawe; Life of the Land; Malama O Puna; Hawaii Sustainable Community Alliance; Amazon Power Plus; Gaia Yoga Gardens; Gaia Yoga Nursery; Laakea Educational Programs; Laakea Community LLC; CP Group-Ka Hale Mala Bed and Breakfast; Wisdom Way Center; Radiant Health Center; Sustainable Solutions; Laakea Permaculture Community; Laakea Permaculture Education Programs; Hawaii Whole Person Healing Collective; and two hundred sixteen individuals. Your Committees received testimony in opposition to this measure from Hawaii Oasis; Indigenous Consultants; and thirty individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; and three individuals.

Your Committees find that hydraulic fracturing, known as "fracking," is a technique whereby wells are drilled into the ground and fluids are then injected into the wells to fracture the surrounding rock. Your Committees find that fracking may result in adverse environmental impacts, including:

- (1) Stress on surface water and ground water supplies from the withdrawal of large volumes of water used in drilling and hydraulic fracturing;

- (2) Contamination of underground sources of drinking water and surface waters resulting from spills, faulty well construction, or by other means related to the hydraulic fracturing process;
- (3) Adverse impacts from the discharge of waste water from hydraulic fracturing into surface waters or into underground injection wells; and
- (4) Air pollution resulting from the release of volatile organic compounds, hazardous air pollutants, and greenhouse gases from the hydraulic fracturing process.

Your Committees also note the testimony of the Department of Land and Natural Resources. Specifically, the Department testified:

The Department believes it is premature to preempt a technology that has not been investigated in the context of the Hawaii environment. The Department recommends further research and discussion among industry experts, the University of Hawaii Center for the Study of Active Volcanoes, and applicable regulatory agencies be performed before any such blanket prohibition against hydraulic fracturing is taken in Hawaii.

The Department appreciates the resolutions' intent to protect against potential adverse impacts to the environment from hydraulic fracturing operations generally associated with the oil and gas industry, and also recognizes the aim of the resolutions to protect of [sic] our State's natural resources and water supplies. Whereas, hydraulic fracturing has been utilized on a very limited basis in the geothermal industry, the Department is unaware of any proposed plans or assessment of potential sites for use of such techniques in Hawaii.

In light of this testimony, your Committees request that the Department of Land and Natural Resources, in cooperation with the University of Hawaii Center for the Study of Active Volcanoes, undertake a study of whether the use of hydraulic fracturing in Hawaii may have negative environmental impacts and submit a report of its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committees have amended this measure by:

- (1) Removing language relating to geothermal systems and energy;
- (2) Changing the resolution of the measure from opposing the use of hydraulic fracturing in Hawaii to expressing concern about the use of hydraulic fracturing in Hawaii; and
- (3) Changing the title to reflect the amended resolution of this measure.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water and Land that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 123, as amended herein, and recommend its adoption in the form attached hereto as S.C.R. No. 123, S.D. 1.

Signed by the Vice Chair and Chair on behalf of the Committees.

Energy and Environment  
Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Water and Land  
Ayes, 4. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Ihara).

**SCRep. 1549 (Joint/Majority) Energy and Environment and Water and Land on S.R. No. 86**

The purpose and intent of this measure is to oppose the practice of hydraulic fracturing.

Your Committees received testimony in support of this measure from Puna Pono Alliance; Na Kupuna Moku O Keawe; Life of the Land; Malama O Puna; Hawaii Sustainable Community Alliance; Amazon Power Plus; Gaia Yoga Gardens; Gaia Yoga Nursery; Laakea Educational Programs; Laakea Community LLC; CP Group-Ka Hale Mala Bed and Breakfast; Wisdom Way Center; Radiant Health Center; Sustainable Solutions; Laakea Permaculture Community; Laakea Permaculture Education Programs; Hawaii Whole Person Healing Collective; and two hundred sixteen individuals. Your Committees received testimony in opposition to this measure from Hawaii Oasis; Indigenous Consultants; and thirty individuals. Your Committees received comments on this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; and three individuals.

Your Committees find that hydraulic fracturing, known as "fracking," is a technique whereby wells are drilled into the ground and fluids are then injected into the wells to fracture the surrounding rock. Your Committees find that fracking may result in adverse environmental impacts, including:

- (1) Stress on surface water and ground water supplies from the withdrawal of large volumes of water used in drilling and hydraulic fracturing;
- (2) Contamination of underground sources of drinking water and surface waters resulting from spills, faulty well construction, or by other means related to the hydraulic fracturing process;
- (3) Adverse impacts from the discharge of waste water from hydraulic fracturing into surface waters or into underground injection wells; and
- (4) Air pollution resulting from the release of volatile organic compounds, hazardous air pollutants, and greenhouse gases from the hydraulic fracturing process.

Your Committees also note the testimony of the Department of Land and Natural Resources. Specifically, the Department testified:

The Department believes it is premature to preempt a technology that has not been investigated in the context of the Hawaii environment. The Department recommends further research and discussion among industry experts, the



University of Hawaii Center for the Study of Active Volcanoes, and applicable regulatory agencies be performed before any such blanket prohibition against hydraulic fracturing is taken in Hawaii.

The Department appreciates the resolutions' intent to protect against potential adverse impacts to the environment from hydraulic fracturing operations generally associated with the oil and gas industry, and also recognizes the aim of the resolutions to protect of [sic] our State's natural resources and water supplies. Whereas, hydraulic fracturing has been utilized on a very limited basis in the geothermal industry, the Department is unaware of any proposed plans or assessment of potential sites for use of such techniques in Hawaii.

In light of this testimony, your Committees request that the Department of Land and Natural Resources, in cooperation with the University of Hawaii Center for the Study of Active Volcanoes, undertake a study of whether the use of hydraulic fracturing in Hawaii may have negative environmental impacts and submit a report of its findings to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committees have amended this measure by:

- (1) Removing language relating to geothermal systems and energy;
- (2) Changing the resolution of the measure from opposing the use of hydraulic fracturing in Hawaii to expressing concern about the use of hydraulic fracturing in Hawaii; and
- (3) Changing the title to reflect the amended resolution of this measure.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Water and Land 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 Vice Chair and Chair on behalf of the Committees.

Energy and Environment

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Ihara).

Water and Land

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Dela Cruz, Ihara).

**SCRep. 1550 Energy and Environment on Gov. Msg. No. 719**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF DIRECTORS OF THE NATURAL ENERGY LABORATORY OF HAWAI'I AUTHORITY

G.M. No. 719 JOHN DELONG, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds John DeLong to possess the requisite qualifications to be nominated to the Board of Directors of the Natural Energy Laboratory of Hawai'i Authority (NELHA).

Your Committee received testimony in support of the nomination of Mr. DeLong from the Department of Business, Economic Development, and Tourism; High Technology Development Corporation; BioEnergy Hawaii LLC; and two individuals.

Your Committee notes that Mr. DeLong has over twenty years of executive and senior management experience at various companies. Mr. DeLong has served as President of Hawaiian Cement and West Hawaii Concrete since 2005. Additionally, Mr. DeLong has demonstrated significant dedication to public service, as evidenced by his exemplary service as Chairperson of the Board of Directors of NELHA, in addition to his service on the Board of Directors of the High Technology Development Corporation and to a wide variety of community organizations. Under Mr. DeLong's leadership, NELHA's annual revenues grew by fifty percent to over \$3,750,000 and became financially self-sufficient, no longer requiring state general funds for day-to-day operations.

Testifiers remark on Mr. DeLong's strong background in construction, private sector experience, and scientific background in chemical engineering, all of which make him an innovative leader with a deep understanding of growing businesses in Hawaii.

Your Committee finds that Mr. DeLong has been reappointed to the Board of Directors of NELHA based on his knowledge, professional experience, and commitment to public service.

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 (Ihara, Slom).

**SCRep. 1551 Energy and Environment on Gov. Msg. No. 686**

Recommending that the Senate advise and consent to the nomination of the following:

ENDANGERED SPECIES RECOVERY COMMITTEE

G.M. No. 686 JOHN HARRISON, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds John Harrison to possess the requisite qualifications to be nominated to the Endangered Species Recovery Committee.

Your Committee received testimony in support of the nomination of Mr. Harrison from the Department of Land and Natural Resources, University of Hawaii Environmental Center, and one individual.

Upon review of the testimony, your Committee finds that Mr. Harrison's professional background, experience, and dedication to serving the public qualify him for appointment to the Endangered Species Recovery Committee. Your Committee notes that Mr. Harrison has over thirty years of combined experience in the fields of biology, zoology, and environmental studies in public institutions and in private practice. Mr. Harrison served over eighteen years as the Environmental Coordinator of the University of Hawaii Environmental Center. Additionally, Mr. Harrison has demonstrated significant dedication to public service, as evidenced by his commendable service as a member of the Endangered Species Recovery Committee from 1998 to 2007. His commitment to environmental protection and advocacy is also exemplified by his years of service in a wide variety of environmental community organizations. Your Committee further finds that Mr. Harrison has been reappointed to the Endangered Species Recovery Committee based on his knowledge, professional experience, and commitment to public service.

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, 5. Noes, none. Excused, none.

**SCRep. 1552 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 524, 525, 619, and 715**

Recommending that the Senate advise and consent to the nominations of the following:

KING KAMEHAMEHA CELEBRATION COMMISSION

G.M. No. 524 LU ANN LANKFORD-FABORITO, for a term to expire 6-30-2016;

G.M. No. 525 MELISSIA MAE SUGAI, for a term to expire 6-30-2014;

G.M. No. 619 KAINOA DAINES, for a term to expire 6-30-2014; and

G.M. No. 715 ELMER KAAI, for a term to expire 6-30-2017

LU ANN LANFORD-FABORITO

Your Committee received testimony in support of Lu Ann Lankford-Faborito from the Department of Accounting and General Services, Association of Hawaiian Civic Clubs, King Kamehameha Celebration Commission, and five individuals. The Department of Accounting and General Services testified that section 8-5, Hawaii Revised Statutes, requires one member of the King Kamehameha Celebration Commission to be a member of the Association of Hawaiian Civic Clubs, and that Ms. Lankford-Faborito is such a member.

Ms. Lankford-Faborito is the Controller and Administrator of Latigo Construction, Inc., and Latigo Ranch, LLC. Ms. Lankford-Faborito is a volunteer with the Hawaii Food Bank, Kawaihau Church Homeless Outreach Program, Hawaii Women's Rodeo Association, Pearl Harbor Hawaiian Civic Club, and Makaha Hawaiian Civic Club. Ms. Lankford-Faborito served as the Chairperson of the 2013 Prince Kuhio Commemorative Parade and has participated in or supported the King Kamehameha Festival in various capacities for almost twenty years. She currently serves as a member of the King Kamehameha Celebration Commission.

MELISSIA MAE SUGAI

Your Committee received testimony in support of Melissa Mae Sugai from the Department of Accounting and General Services, Mayor of Kauai County, and six individuals. The Department of Accounting and General Services testified that section 8-5, Hawaii Revised Statutes, requires that one member of the King Kamehameha Celebration Commission be from the island of Kauai, and that Ms. Sugai is a resident of Kauai.

Ms. Sugai works as a Project Administrator with Unlimited Construction Services, Inc., and as a show supervisor at Smith's Tropical Paradise, where she coordinates and oversees the production of the Ethnic Cultural Show. Ms. Sugai has been a past board member of the King Kamehameha Celebration Commission and is presently serving as an interim member of the Commission. In the past, Ms. Sugai has also participated in the King Kamehameha parade as a Pa'u rider.

KAINOA DAINES

Your Committee received testimony in support of Kainoa Daines from the Department of Accounting and General Services and two individuals. The Department of Accounting and General Services testified that section 8-5, Hawaii Revised Statutes, requires that one member of the King Kamehameha Celebration Commission be a member of the Kamehameha Schools Alumni Association, and that Mr. Daines is such a member.

Mr. Daines is the Director of Sales for the Oahu Visitors Bureau and Hawaiian Cultural Advisor of the Hawaii Visitors & Convention Bureau. Mr. Daines is a member of the Native Hawaiian Hospitality Association, Hawaii Hospitality Sales & Marketing Association, Hawaii Business Travel Association, Kamehameha Schools Alumni Association, and Kamehameha Alumni Networking Association. Mr. Daines currently serves as a Vice-President of the Oahu Region of the Kamehameha Schools Alumni Association. In 2009, Mr. Daines served as Chairperson of the King Kamehameha Celebration Commission, and has served as the Chairperson of the King Kamehameha Parade for the past three years.

ELMER KAAI

Your committee received testimony in support of Elmer Kaai from the Department of Accounting and General Services, Association of Hawaiian Civic Clubs, and twelve individuals. The Department of Accounting and General Services testified that

section 8-5, Hawaii Revised Statutes, requires that one member of the King Kamehameha Celebration Commission be a member of the Royal Order of Kamehameha I, and that Mr. Kaai is such a member.

Mr. Kaai is a legislative liaison coordinator for the University of Hawaii, Manoa. Mr. Kaai has worked for the Department of Hawaiian Homes Lands, Hawaii State Legislature, and in various capacities in private law firms in Hawaii. Mr. Kaai is a member of the Royal Order of Kamehameha, Hawaiian Civic Club of Honolulu, Kuini Piolani Hawaiian Civic Club, Democratic Party of Hawaii, and Native Hawaiian Chamber of Commerce. He is currently the Chairperson of the King Kamehameha Celebration Commission.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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.  
For Gov. Msg. Nos. 524, 525, and 619:  
Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

For Gov. Msg. No. 715:  
Ayes, 5. Noes, none. Excused, 2 (Baker, Chun Oakland).

**SCRep. 1553 Human Services on Gov. Msg. Nos. 745 and 769**

Recommending that the Senate advise and consent to the nominations of the following:

POLICY ADVISORY BOARD FOR ELDER AFFAIRS

G.M. No. 745 JOY MIYASAKI, for a term to expire 6-30-2017; and  
G.M. No. 769 MAEONA MENDELSON, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories and statements submitted by the nominees and finds Joy Miyasaki and Maeona Mendelson to possess the requisite qualifications to be nominated to the Policy Advisory Board for Elder Affairs.

JOY MIYASAKI

Your Committee received testimony in support of Joy Miyasaki from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, Project Dana, and one individual.

Ms. Miyasaki has been practicing law for over thirty years, working primarily in the estate and tax planning area. She works with many elderly clients and observes the personal and financial issues that these individuals and their families face. Ms. Miyasaki also teaches estate planning as an adjunct faculty member at the University of Hawaii William S. Richardson School of Law and was selected as an Adjunct Professor of the Year in 2008. She holds a Bachelor of Arts degree and Juris Doctorate from Georgetown University.

Along with her many accomplishments, Ms. Miyasaki is a Fellow of the American College of Trust and Estate Counsel, a national organization of approximately 2,600 lawyers elected to membership by demonstrating the highest level of integrity, competence, and experience as trust and estate counselors. She is an Editorial Board Member of *Practical Lawyer* magazine and the current President of the Hawaii Estate Planning Council.

In the past, Ms. Miyasaki served as Chair of the Tax Section and Chair of the Probate and Estate Planning Section of the Hawaii State Bar Association. She also served as President of Hawaii Women Lawyers and President of the Board of Directors of the Hawaii Women's Legal Foundation.

Ms. Miyasaki indicated in her personal statement that she hopes to address some of the problems relating to aging in the areas of financial abuse and navigating the care system.

Your Committee finds that Ms. Miyasaki's past experiences in practicing law and education, as well as her continuing commitment to issues relating to elders, will be great assets to the Board.

MAEONA MENDELSON

Your Committee received testimony in support of Maeona Mendelson from the Executive Office on Aging, State Task Force on Alzheimer's Disease and Related Dementias, Kapiolani Community College Kupuna Education Center, Office of the Morocco Honorary Consulate, AARP Hawaii, ASN Consulting Services, and two individuals.

Dr. Mendelson is currently the Director of the Intergenerational Center at Chaminade University, whose purpose is to help create a campus where older adults are integrated into campus life as students, mentors, volunteers, and teachers. She received a Doctorate of Philosophy in Social Welfare from the University of Hawaii, a Master of Social Work from the School of Social Work at the University of Hawaii, and a Bachelor's degree from the School of International Science at American University. She also authored two articles in the Japanese journal, *Gendai no Esupuri*, and co-edited a special edition of the *Journal of Intergenerational Relationships*.

In the past, Dr. Mendelson served as the Executive Director of the Hawaii Intergenerational Network and taught as an adjunct professor at Hawaii Pacific University and the School of Social Work at the University of Hawaii. She also served as a Community Planner and Program Director for the Hawaii Community Services Council and President of AARP Hawaii.

Dr. Mendelson indicated in her personal statement that she hopes to see a shift in mindset, moving from viewing aging as a problem to a model where older people are seen as resources and an emphasis is placed on wellness, staying active, remaining or returning to work, serving others, and making good personal choices.

Your Committee finds that Dr. Mendelson's past experiences with Hawaii's aging population, as well as her continuing commitment to issues relating to elders, will be great assets to the Board.

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, 2 (Kidani, Taniguchi).

**SCRep. 1554 Transportation and International Affairs on Gov. Msg. No. 790**

Recommending that the Senate advise and consent to the nomination of the following:

STATE HIGHWAY SAFETY COUNCIL

G.M. No. 790 JOVANIE DE LA CRUZ, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jovanie de la Cruz to possess the requisite qualifications to be nominated to the State Highway Safety Council.

Your Committee received testimony in support of the nominee from the Department of Transportation, National Federation of Filipino American Associations, Filipinos for Affirmative Action, Filipino American Citizens League, United Filipino Council of Hawaii, Filipino Coalition for Solidarity, and two individuals.

Jovanie de la Cruz received a Bachelor's degree in Political Science and a Bachelor's degree in Filipino and Philippine Literature, as well as a Certificate in Law and Society from the University of Hawai'i at Manoa, where he was on the Dean's List every semester from the Fall 2006 to graduation in Spring 2010. The nominee currently teaches in the Department of Indo-Pacific Languages and Literatures at the University of Hawai'i at Manoa, where he lectures in Filipino language and culture courses. He is a language translator of Filipino and Ilokano languages, and is active in various community programs relating to Filipino culture and languages.

Your Committee notes from the testimony that Jovanie de la Cruz is thoughtful and diligent in his analysis and is deeply committed to making Hawaii a better and safer place to live. He endeavors to understand complex issues and is an effective consensus builder who is modest and unassuming.

Your Committee further notes the following excerpt from the nominee's personal statement, "Being a member of the State Highway Safety Council means that I must be an active advocate of safety for State Highway users...I would say that the three qualities that best describe me are passionate, team-player, and dedicated....My dedication to serve our great State will benefit the Council."

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 4 (Dela Cruz, Keith-Agaran, Kouchi, Slom).

**SCRep. 1555 Commerce and Consumer Protection on Gov. Msg. Nos. 721 and 724**

Recommending that the Senate advise and consent to the nominations of the following:

MOTOR VEHICLE INDUSTRY LICENSING BOARD

G.M. No. 721 DENNIS SHORT, for a term to expire 6-30-2017; and

G.M. No. 724 WERNER UMBHAU, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Dennis Short and Werner Umbhau to possess the requisite qualifications to be nominated to the Motor Vehicle Industry Licensing Board.

DENNIS SHORT

Your Committee received testimony in support of the nomination of Dennis Short from the Department of Commerce and Consumer Protection and Hawaii Automobile Dealers' Association.

Upon review of the testimony, your Committee finds that Mr. Short's background, experience, and desire to contribute to the community qualify him for reappointment to the Motor Vehicle Industry Licensing Board as an industry member. Your Committee notes that Mr. Short has over forty years of experience with the automotive industry in Hawaii. Mr. Short is the President and General Manager of BMW of Honolulu and was named the Hawaii State Dealer of the Year in 2008. Mr. Short has served on the Motor Vehicle Industry Licensing Board since July 2009, and his active participation during meeting discussions and knowledge of the motor vehicle industry continue to enhance the effectiveness of the Board. Your Committee further finds that Mr. Short has been reappointed to the Motor Vehicle Industry Licensing Board based on his knowledge, experience, and commitment to upholding the integrity of the automotive industry.

WERNER UMBHAU

Your Committee received testimony in support of the nomination of Werner Umbhau from the Department of Commerce and Consumer Affairs and Hawaii Automobile Dealers' Association.

Upon review of the testimony, your Committee finds that Mr. Umbhau's knowledge, experience, and desire to serve the community qualify him for reappointment to the Motor Vehicle Industry Licensing Board as a public member. Your Committee notes that Mr. Umbhau has served on the Motor Vehicle Industry Licensing Board since April 2007, has served as the Board's Chairperson since 2009, and has attended all thirty-six board meetings since his appointment. Mr. Umbhau spent his career as a consumer banker serving the financial needs of automotive dealers and their consumer clients and understands the challenges faced by the automotive industry and the need for strong consumer protection laws. Your Committee further finds that Mr. Umbhau's ability to lead thoughtful discussions among fellow board members continues to enhance the effectiveness of the Motor Vehicle Industry Licensing Board and recommends his reappointment based on his background, experience, and desire to protect consumers and their rights.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Wakai).

**SCRep. 1556 Commerce and Consumer Protection on Gov. Msg. Nos. 722 and 764**

Recommending that the Senate advise and consent to the nominations of the following:

PEST CONTROL BOARD

G.M. No. 722 ALVIN FUKUYAMA, for a term to expire 6-30-2017; and

G.M. No. 764 TERRANCE MANAGO, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Alvin Fukuyama and Terrance Manago to possess the requisite qualifications to be nominated to the Pest Control Board.

ALVIN FUKUYAMA

Your Committee received testimony in support of the nomination of Alvin Fukuyama from the Department of Commerce and Consumer Protection, Hawaii Pest Control Association, and one individual.

Upon review of the testimony, your Committee finds that Mr. Fukuyama's background, experience, and desire to serve the public qualify him for reappointment to the Pest Control Board as a licensee member. Your Committee notes that Mr. Fukuyama is the President of State Termite & Pest Control, Inc., and has been licensed as a pest control operator since 1984. Your Committee further finds that Mr. Fukuyama has been an active member of the pest control industry for many years, including serving as past President of the Hawaii Pest Control Association. Mr. Fukuyama has also been a member of the Pest Control Board since June 2007 and currently serves as the Board's Vice Chairperson. Your Committee further finds that Mr. Fukuyama has extensive knowledge of the pest control industry, proven leadership abilities, and a desire to contribute to the community, and therefore recommends his reappointment to the Pest Control Board as a licensee member.

TERRANCE MANAGO

Your Committee received testimony in support of the nomination of Terrance Manago from the Department of Commerce and Consumer Protection, Hawaii Pest Control Association, and three individuals.

Upon review of the testimony, your Committee finds that Mr. Manago's knowledge, experience, and desire to serve the public qualify him for appointment to the Pest Control Board as a licensee member. Your Committee notes that Mr. Manago is the owner and operator of Hawaii Pest Solutions and has almost thirty years of experience in the pest control industry. Mr. Manago's extensive experience has also given him a unique perspective regarding meeting consumers' expectations and upholding the standards of the pest control industry. Your Committee further finds that Mr. Manago has been an active member of the Hawaii Pest Control Association for many years, including serving on a variety of committees within the Association and as past President. Your Committee also finds that Mr. Manago understands the role and responsibilities of board members and has been appointed to the Pest Control Board based on his extensive background, knowledge, and commitment to serving the community.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Galuteria, Wakai).

**SCRep. 1557 Commerce and Consumer Protection on Gov. Msg. No. 723**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF PHARMACY

G.M. No. 723 GARRETT LAU, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Garrett Lau to possess the requisite qualifications to be nominated to the Board of Pharmacy.

Your Committee received testimony in support of the nomination of Garrett Lau from the Department of Commerce and Consumer Protection, Ho'ola Lahui Hawai'i, and one individual.

Upon review of the testimony, your Committee finds that Mr. Lau's experience, commitment to the community, and proven leadership qualify him for reappointment to the Board of Pharmacy as a licensee member representing Kauai County. Your Committee notes that Mr. Lau has been a licensed pharmacist since 1995 and currently serves as the Director of Pharmacy at the Ho'ola Lahui Hawai'i pharmacy and as a pharmacist in the United States Navy Reserve Medical Service Corps. Mr. Lau is familiar with state and federal laws governing pharmacies and has experience in traditional retail pharmacy and Federally Qualified Health Center pharmacy settings. Mr. Lau has also served on the Board of Pharmacy since 2009 and has represented the Board at several National Association of Boards of Pharmacy law review sessions for Hawaii's pharmacy law exam. Your Committee further finds that Mr. Lau has a thorough understanding of the role and responsibilities of board members and recommends Mr. Lau's reappointment to the Board of Pharmacy based on his extensive experience, knowledge, 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, Wakai).

**SCRep. 1558 Commerce and Consumer Protection on Gov. Msg. Nos. 725 and 760**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF PROFESSIONAL ENGINEERS, ARCHITECTS, SURVEYORS, AND LANDSCAPE ARCHITECTS

G.M. No. 725 CRAIG MURAYAMA, for a term to expire 6-30-2016; and

G.M. No. 760 RICHARD SUZUKI, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Craig Murayama and Richard Suzuki to possess the requisite qualifications to be nominated to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects.

CRAIG MURAYAMA

Your Committee received testimony in support of the nomination of Craig Murayama from the Department of Commerce and Consumer Affairs; Mechanical Engineers of Hawaii Corporation; Ronald N.S. Ho & Associates, Inc.; and R.M. Towill Corporation.

Upon review of the testimony, your Committee finds that Mr. Murayama's professional background, experience, and desire to contribute to the community qualify him for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as an architect member. Your Committee notes that Mr. Murayama has over three decades of experience in the architectural field and is professionally licensed in California and Hawaii. Mr. Murayama is the Owner and Director of KYA Design Group, Inc., and has worked on a variety of significant architectural projects, including private sector and government buildings, throughout his career. Mr. Murayama is also familiar with board procedures and protocol by virtue of his prior experience serving on the Maui County Urban Design Review Board. Your Committee further finds that Mr. Murayama is well-qualified to serve on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects and recommends that Mr. Murayama be appointed to the Board based on his knowledge, experience, and commitment to his profession and public service.

RICHARD SUZUKI

Your Committee received testimony in support of the nomination of Richard Suzuki from the Department of Commerce and Consumer Affairs and two individuals.

Upon review of the testimony, your Committee finds that Mr. Suzuki's professional background, experience, and dedication to public service qualify him for appointment to the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects as a civil engineer member. Your Committee notes that Mr. Suzuki has been licensed in Hawaii as a civil engineer since 1969 and has held positions of responsibility with the State of Hawaii, City and County of Honolulu, and URS Corporation. Mr. Suzuki has remained active in local and national associations, including the National Council of Examiners for Engineers and Surveyors, in an effort to improve the quality of his profession. Mr. Suzuki is also familiar with board procedures and protocol by virtue of his prior experience serving on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects. Your Committee further finds that Mr. Suzuki is well-qualified to serve on the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects and recommends that Mr. Suzuki be appointed to the Board based on his knowledge, experience, and desire to contribute to his profession and his community.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Galuteria, Wakai).

**SCRep. 1559 Commerce and Consumer Protection on Gov. Msg. Nos. 761, 762, and 763**

Recommending that the Senate advise and consent to the nominations of the following:

CONTRACTORS LICENSE BOARD

G.M. No. 761 ALDON MOCHIDA, for a term to expire 6-30-2017;

G.M. No. 762 WILLIAM KAMAI, for a term to expire 6-30-2017; and

G.M. No. 763 LES BOTELHO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Aldon Mochida, William Kamai, and Les Botelho to possess the requisite qualifications to be nominated to the Contractors License Board.

#### ALDON MOCHIDA

Your Committee received testimony in support of the nomination of Aldon Mochida from the Department of Commerce and Consumer Affairs; General Contractors Association of Hawaii; Building Industry Association of Hawaii; Hawaii Laborers-Employers Cooperation and Education Trust; The Pacific Resource Partnership; Royal Contracting Co., Ltd.; Hawai'i Construction Alliance; and Hawaii Masons Union, Local 1 and Local 630.

Upon review of the testimony, your Committee finds that Mr. Mochida's background, experience, and commitment to public service qualify him for reappointment to the Contractors License Board as a licensee member. Your Committee notes that Mr. Mochida has been in the construction industry for over three decades and has been licensed as a contractor in Hawaii since 2005. Mr. Mochida holds the general engineering and general building license classifications and was previously with the Hawaiian Dredging Construction Company until his retirement in 2005. Mr. Mochida is currently the responsible managing employee of the family-owned company he founded in 2005, Pro-Bilt Construction Company, Inc. Mr. Mochida has served as an industry member on the Contractors License Board since July 2009 and has a thorough understanding of the role and responsibilities of board members. Your Committee further finds that Mr. Mochida has been reappointed to the Contractors License Board based on his experience, knowledge of the industry, and desire to contribute to the community.

#### WILLIAM KAMAI

Your Committee received testimony in support of the nomination of William Kamai from the Department of Commerce and Consumer Affairs; General Contractors Association of Hawaii; Building Industry Association of Hawaii; Hawaii Regional Council of Carpenters; Hawaii Laborers-Employers Cooperation and Education Trust; The Pacific Resource Partnership; Royal Contracting Co., Ltd.; Hawai'i Construction Alliance; and Hawaii Masons Union, Local 1 and Local 630.

Upon review of the testimony, your Committee finds that Mr. Kamai's knowledge, background, and prior experience qualify him for reappointment to the Contractors License Board as a public member. Your Committee notes that Mr. Kamai has over thirty years of experience in the construction industry, is a member of the Hawaii Carpenters Union, and has worked for the Hawaii Regional Council of Carpenters since 2001. Mr. Kamai is a dedicated member of his community and has volunteered his time with the March of Dimes, American Cancer Society, and the Maui Mental Health Association. Mr. Kamai is familiar with board procedures and protocol by virtue of his experience serving on various boards, including the Maui County Board of Water Supply and Maui County Board of Variances and Appeals. Your Committee further finds that Mr. Kamai has served as a public member on the Contractors License Board since July 2009 and recommends his reappointment based on his background, experience, and commitment to public service.

#### LES BOTELHO

Your Committee received testimony in support of the nomination of Les Botelho from the Department of Commerce and Consumer Affairs; County of Hawai'i, Office of the Mayor; County of Hawai'i, Office of the Corporation Counsel; and two individuals.

Upon review of the testimony, your Committee finds that Mr. Botelho's knowledge, background, and commitment to public service qualify him for appointment to the Contractors License Board as a public member. Your Committee notes that Mr. Botelho has forty years of experience in a variety of construction and construction-related positions. Mr. Botelho has worked in the public and private sectors, including twenty years of service with the County of Hawaii Department of Public Works and, more recently, as owner and supervisor of his trucking company, L & B Trucking, LLC. Mr. Botelho is active in his community and has served on the Governor's East Hawaii Advisory Board and held several positions with the Democratic Party of Hawaii, District 2. Your Committee further finds that Mr. Botelho has a thorough understanding of the role and responsibilities of board members and recommends his appointment to the Contractors License Board as a public member based on his background, experience, and dedication to serving his community.

As affirmed by the records of votes of the members of your Committee on Commerce and Consumer Protection that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 2 (Galuteria, Wakai).

#### **SCRep. 1560 Commerce and Consumer Protection on Gov. Msg. No. 765**

Recommending that the Senate advise and consent to the nomination of the following:

#### REAL ESTATE COMMISSION

G.M. No. 765 LAURIE LEE, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Laurie Lee to possess the requisite qualifications to be nominated to the Real Estate Commission.

Your Committee received testimony in support of the nomination of Laurie Lee from the Department of Commerce and Consumer Affairs; Hawai'i Association of REALTORS; Dawson Dermatology, LLC; Stanford Carr Development, LLC; and four individuals.

Upon review of the testimony, your Committee finds that Ms. Lee's background, experience, and commitment to public service qualify her for appointment to the Real Estate Commission as a licensee member. Your Committee notes that Ms. Lee is a licensed Real Estate Salesperson and Real Estate Broker with over twenty years of experience in the real estate industry. Ms. Lee has been involved in many facets of real estate throughout her career, including new home sales, general brokerage sales, and project management. Ms. Lee is currently the Principal Broker of Pacific Island Realty and the exclusive Broker for Stanford Carr

Development, LLC, and also oversees four agents on the islands of Maui and Hawaii. Your Committee further finds that Ms. Lee has a thorough understanding of the role and responsibilities of board members and has been appointed to the Real Estate Commission based on her extensive experience, knowledge, and dedication to maintaining professional standards and protecting consumers in her 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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, Wakai).

**SCRep. 1561 Commerce and Consumer Protection on Gov. Msg. No. 780**

Recommending that the Senate advise and consent to the nomination of the following:

STATE BOARD OF PUBLIC ACCOUNTANCY

G.M. No. 780 CARLETON WILLIAMS, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Carleton Williams 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 Carleton Williams from the Department of Commerce and Consumer Affairs, Hawaii Society of Certified Public Accountants, American Savings Bank, Easter Seals Hawaii, Deloitte & Touche LLP, Roman Catholic Church in the State of Hawaii, Agricultural Leadership Foundation of Hawai'i, and eight individuals.

Upon review of the testimony, your Committee finds that Mr. Williams' background, experience, and commitment to serving the public qualify him for appointment to the State Board of Public Accountancy as a licensee member. Your Committee notes that Mr. Williams has been licensed as a Certified Public Accountant in Hawaii for over thirty years and currently serves as the Managing Partner of CW Associates, CPAs. Mr. Williams is committed to public service and has been an active member of several community and professional groups, including serving as past President of the Hawaii Society of Certified Public Accountants, Agricultural Leadership Foundation of Hawaii, and Easter Seals Hawaii. Mr. Williams also served on a committee that designed and implemented the peer review process for public accountancy firms in Hawaii, an experience which will be helpful to the State Board of Public Accountancy. Your Committee further finds that Mr. Williams has a thorough understanding of the role and responsibilities of board members and recommends that he be appointed to the State Board of Public Accountancy based on his knowledge, extensive experience, and dedication to community 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, Wakai).

**SCRep. 1562 Commerce and Consumer Protection on Gov. Msg. No. 782**

Recommending that the Senate advise and consent to the nomination of the following:

ELEVATOR MECHANICS LICENSING BOARD

G.M. No. 782 JAMES WILBURN, JR., for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds James Wilburn, Jr., to possess the requisite qualifications to be nominated to the Elevator Mechanics Licensing Board.

Your Committee received testimony in support of the nomination of James Wilburn, Jr., from the Department of Commerce and Consumer Affairs and International Union of Elevator Constructors, Local 126.

Upon review of the testimony, your Committee finds that Mr. Wilburn's background, experience, and commitment to his industry qualify him for appointment to the Elevator Mechanics Licensing Board as a licensee member. Your Committee notes that Mr. Wilburn has been a licensed elevator mechanic in Hawaii since 2001 and is currently employed at ThyssenKrupp Elevator. Mr. Wilburn previously served in the United States Air Force and the Hawaii Air National Guard and has worked on federal military bases for the past eight years. Mr. Wilburn's service as a member of the International Union of Elevator Constructors, Local 126 Executive Board is valuable experience that will enhance the effectiveness of the Elevator Mechanics Licensing Board. Your Committee further finds that Mr. Wilburn has a thorough understanding of the role and responsibilities of board members and recommends his appointment to the Elevator Mechanics Licensing Board based on his knowledge, experience, and dedication to ensuring public safety in his 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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, Wakai).

**SCRep. 1563 Education on Gov. Msg. No. 746**

Recommending that the Senate advise and consent to the nomination of the following:



EDUCATION COMMISSION OF THE STATES

G.M. No. 746 JOAN HUSTED, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Joan Husted 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 Joan Husted from the Governor, ILWU Local 142, and twelve individuals.

Your Committee finds that Joan Husted received a Baccalaureate of Philosophy degree from Siena Heights University. She went on to receive a Master's degree from the University of Michigan.

Ms. Husted served as a school counselor at King Intermediate School and as a district resource teacher for the Windward District of the Department of Education.

Ms. Husted also served as the Executive Director of the Hawaii State Teachers Association (HSTA) for over thirty years, retiring in December 2007. During that time, Ms. Husted served as HSTA's chief negotiator and negotiated over fifteen collective bargaining agreements, including the first statewide bargaining agreement in the United States.

Ms. Husted has also served as the Chair and a member of the State Commission on the Status of Women. She is currently a member of the Board of Directors of the Aloha United Way and PBS Hawaii. She is also a member of the Industrial Relations Research Association.

Ms. Husted testified that her long-term goal as a member of the Education Commission of the States is to help establish a stronger relationship between the Commission and education stakeholders in Hawaii so that Hawaii can make extensive use of the resources that the Commission has to offer.

Ms. Husted's diverse experience, knowledge, and background as an educator and executive make her an excellent addition to 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, 4. Noes, none. Excused, 1 (Ruderman).

**SCRep. 1564 Education on Gov. Msg. Nos. 747, 748, 749, and 750**

Recommending that the Senate advise and consent to the nominations of the following:

EARLY LEARNING ADVISORY BOARD

G.M. No. 747 LYNN CABATO, for a term to expire 6-30-2015;

G.M. No. 748 MAUREEN RAWLINS, for a term to expire 6-30-2014;

G.M. No. 749 KERRIE UROSEVICH, for a term to expire 6-30-2014; and

G.M. No. 750 BENJAMIN NAKI III, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lynn Cabato, Maureen Rawlins, Kerrie Urosevich, and Benjamin Naki III to possess the requisite qualifications to be nominated to the Early Learning Advisory Board.

LYNN CABATO

Your Committee received testimony in support of the nomination of Lynn Cabato from the Executive Office on Early Learning; Honolulu Community Action Program, Inc.; and six individuals.

Your Committee finds that Ms. Cabato is a graduate of the University of Hawaii at Manoa, where she earned a Bachelor of Science degree in Human Development.

Ms. Cabato is currently the Director of the Head Start Program at Honolulu Community Action Program, Inc. (HCAP). Prior to this, she served as the Assistant Director, Program Manager, Family Services Coordinator, Teacher, and Social Service Aide for HCAP's Head Start Program.

Ms. Cabato is also a member of the National/Regional Head Start Association, Vice President of the Head Start Association of Hawaii, and a former Board Member of the Good Beginnings Alliance.

Ms. Cabato testified that in over thirty years of experience in early learning, she has seen the tremendous importance early learning plays in children's success throughout life.

Ms. Cabato also testified that one of her goals as a member of the Early Learning Advisory Council is to continue to help build the capacity of the Executive Office on Early Learning and strengthen the alignment of policies and programs between the Executive Office on Learning and the Department of Education.

Ms. Cabato's over thirty years of experience in the early learning field will be an asset to the Early Learning Advisory Council.

MAUREEN RAWLINS

Your Committee received testimony in support of the nomination of Maureen Rawlins from the Executive Office on Early Learning, Office of Hawaiian Affairs, Native Hawaiian Education Council, Hawaii Business Roundtable, Ke Kula 'O Nāwahīkalanī'ōpu'u Iki Charter School, 'Imiloa Astronomy of Hawai'i at the University of Hawai'i at Hilo, Aha Pūnana Leo, and seven individuals.

Your Committee finds that Maureen Rawlins received a Bachelor's degree in Hawaiian Studies from the University of Hawaii at Hilo. She is currently working toward earning a Master's degree in Hawaiian Language and Literature from the University of Hawaii at Hilo.

Most recently, Ms. Rawlins served as the Executive Director of 'Aha Pūnana Leo, Inc.

Ms. Rawlins is a past Chair of, and currently sits on, the Executive Council of the Native Hawaiian Education Statewide Council. She also serves on the Board of Directors of the Council for Native Hawaiian Advancement.

Ms. Rawlins has participated as a presenter, panelist, and key note speaker at numerous conferences relating to native languages. In 2011, Ms. Rawlins was the keynote speaker at the United States Department of Education's Native American Language Program.

Ms. Rawlins testified that her role on the Early Learning Advisory Council is to advise the Executive Office on Learning on the best ways to meet the educational needs of all children who participate in the State's early learning program. She noted that she is also in the unique position of being able to serve as a bridge between a statewide early learning program and the Hawaiian language immersion program.

Ms. Rawlins' tremendous expertise and experience with the Hawaiian language will provide the Early Learning Advisory Board with a unique perspective and assist the Board with addressing Hawaii's highly distinctive situation of having two official state languages and providing public education in English and the Native Hawaiian language.

KERRIE UROSEVICH

Your Committee received testimony in support of the nomination of Kerrie Urosevich from the Executive Office on Early Learning, Hui for Excellence in Education, YMCA of Honolulu, and thirteen individuals.

Your Committee finds that Kerrie Urosevich received Bachelor's degrees in Psychology and Japanese from Gustavus Adolphus College. She went on to receive a Master's degree in International Policy Studies from the Monterey Institute of International Studies, specializing in Conflict Resolution. She is currently a candidate for a Doctorate of Philosophy in Political Science at the University of Hawai'i at Manoa.

Ms. Urosevich is currently the Executive Director of Family Hui, an organization that supports families with children from birth through age five, focusing on a peer-led, neighborhood-based framework.

Ms. Urosevich has volunteered her time as a member of the Board of Directors of the Association for Conflict Resolution, Hawaii Chapter; with the Southern Poverty Law Center; and with the International Development Council, among other organizations.

Ms. Urosevich testified that her goal as a member of the Early Learning Advisory Board is to ensure that the early learning system focuses not only on serving all four years, but also on ensuring that the early learning system includes younger children. Ms. Urosevich also stressed the importance of continuing to focus on strengthening school and family partnerships.

Ms. Urosevich's educational and executive experience, with an emphasis on collaboration and public service, will serve her well as the parent representative on the Early Learning Advisory Board and in representing the diverse needs of Hawaii's families.

BENJAMIN NAKI III

Your Committee received testimony in support of the nomination of Benjamin Naki III from the Governor, Executive Office on Early Learning, Department of Health, Parents and Children Together, and seven individuals.

Your Committee finds that Mr. Naki is a graduate of Kamehameha Schools. He went on to attend Kapiolani College and the University of Hawaii, where he received a Bachelor's degree in Family Resources. He received a Master's degree in Counseling and Psychology from Chaminade University.

Mr. Naki is the Program Director for the Parents and Children Together (PACT) Early Head Start/Head Start Program (Program). Prior to this, he served as the Assistant Director of the Program, the Comprehensive Service Manager, and Family Services Coordinator. Mr. Naki has also served as a Father Facilitator for PACT's Hui Makuakane Program.

Mr. Naki volunteers much of his time with early education programs including the Head Start Association of Hawaii and the Board of Directors of the Region IX Head Start Association. He has also served as a Co-Chair for the Hawaii Coalition for Dads and as a Nurturing Families Facilitator.

Mr. Naki is also a past participant of the UCLA/Johnson & Johnson Head Start Management Fellows Program.

Mr. Naki testified that he believes the Early Learning Advisory Council should focus on establishing standards for the statewide early learning program, the recruitment of qualified early learning staff, the role of higher education, and building public and private collaborations to support the statewide early learning program.

Mr. Naki has a strong background in early education and family engagement, and these qualities will make him an excellent addition to the Early Learning 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.  
For Gov. Msg. Nos. 747, 748, and 749:  
Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

For Gov. Msg. No. 750:  
Ayes, 4. Noes, none. Excused, 1 (Ruderman).

**SCRep. 1565 Education on Gov. Msg. No. 751**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII TEACHER STANDARDS BOARD

G.M. No. 751 VOLETTA NOE NOE TOM, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Voletta Noe Noe Tom to possess the requisite qualifications to be nominated to the Hawaii Teacher Standards Board.

Your Committee received testimony in support of the nomination of Voletta Noe Noe Tom from the Governor, Hawaii Teacher Standards Board, Hawai'i P-20 Partnerships for Education, and three individuals.

Your Committee finds that Voletta Noe Noe Tom is a graduate of Kamehameha Schools. She went on to receive a Bachelor's degree in Education from the University of Hawaii at Manoa.

Ms. Tom served for over thirty years with the Department of Commerce and Consumer Affairs (DCCA) in numerous roles, including Deputy Director, Executive Officer, Licensing Administrator, and Investigator and Liaison Officer.

Upon her retirement from the DCCA, Ms. Tom served as an independent consultant to the Department of Education in its 2010 application to the United States Department of Education for the Race to the Top Grant. She continues to serve the Department of Education on a temporary basis, assisting the Department with its administrative rules process and serving as its legislative liaison during the 2013 Regular Session.

Ms. Tom currently sits as a member of the Hawaii Teacher Standards Board and testified that her goal continues to be to streamline the licensing process and make the Hawaii Teacher Standards Board self-sufficient. Ms. Tom further testified that she believes that the Hawaii Teacher Standards Board has made great strides in improving its licensing procedures, communicating with its constituents, and engaging stakeholder input and recommendations.

Ms. Tom's long and extensive background with regulating various industries will continue to provide her with a unique perspective as a member of the Hawaii Teacher Standards Board and will assist the Board in meeting its mission of licensing quality teachers in the State.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Shimabukuro).

**SCRep. 1566 Education on Gov. Msg. No. 779**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF EDUCATION

G.M. No. 779 BRIAN DELIMA, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Brian De Lima to possess the requisite qualifications to be nominated to the Board of Education.

Your Committee received testimony in support of the nomination of Brian De Lima from the Governor; Board of Education; Hui for Excellence in Education; Special Education Advisory Council; Keaukaha Community Association; United Public Workers, AFSCME, Local 646, AFL-CIO; ILWU Local 142; and twenty-six individuals. Your Committee received comments from one individual.

Your Committee finds that Brian De Lima is a graduate of Hilo High School and served as the Board of Education's first student member in 1972. He then went on to receive his undergraduate degree from the University of Massachusetts at Amherst and his Juris Doctorate degree from the William S. Richardson School of Law at the University of Hawaii at Manoa.

Mr. De Lima is an experienced trial attorney and a partner at the law firm of Crudele & De Lima. He served for nearly a decade as the private bar attorney for the Legal Aid Society of Hawaii in Hilo. Mr. De Lima continues to provide pro bono legal services for family law clients and participates in the Hawaii Lawyers Care Family Law Clinic. Mr. De Lima has been recognized and honored as having the highest number of pro bono hours among attorneys in Hilo.

Mr. De Lima also served three terms as a member of the Hawai'i County Council and has extensive knowledge in planning, land use development, public works, and government financing.

Mr. De Lima has been serving on the Board of Education since 2011, representing the island of Hawaii and serving as the Board's Vice Chair. He has proven himself to be extremely passionate about public education and always takes the time to examine and understand the issues before the Board of Education. Mr. De Lima believes that the Board of Education has been aggressively addressing various issues facing the Department of Education. He helped lead the effort to establish a comprehensive strategic plan that focuses on student achievement. He was also instrumental in the effort to adopt an audit plan for the Department of Education.

Mr. De Lima further testified that his goal as a member of the Board of Education is to continue to work cooperatively with the members of the Board, Department of Education, and all stakeholders to continue to improve public education in the State. Mr. De Lima also hopes that, as a parent of a special needs child, he can continue to be a voice for parents of special needs children to the Board of Education.

Mr. De Lima's professional background, community involvement, and his current service as a member of the Board of Education provide him with the skills and insight necessary to continue to be an effective member of the Board of Education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Shimabukuro, Slom).

**SCRep. 1567 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 732**

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL DEFENSE ADVISORY COUNCIL

G.M. No. 732 SHELDON LEHMAN, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sheldon Lehman to possess the requisite qualifications to be nominated to the Civil Defense Advisory Council.

Your Committee received testimony in support of the nomination of Sheldon Lehman from the Department of Defense, State of Hawaii; State Civil Defense; Civil Defense Advisory Council; Experimental Aircraft Association of Hilo, Chapter 1182; International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts (IATSE) Local 665; and eighteen individuals.

As the Owner-Operator of Wendin Sheldon & Company, Mr. Lehman worked with Hawaii County Civil Defense to move homes during lava emergencies. Mr. Lehman serves as the Captain of the Hawaii County Volunteer Fire Department 5-Bravo and has completed the Hazardous Materials (HAZMAT) and other National Incident Management System (NIMS) courses. Mr. Lehman also has a broad background in supporting emergency and consequence management efforts in Hawaii.

Your Committee further finds that Mr. Lehman has a thorough understanding of the role and responsibilities of Council members and recommends Mr. Lehman's appointment to the Civil Defense Advisory Council based on his extensive experience, knowledge, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1568 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 772**

Recommending that the Senate advise and consent to the nomination of the following:

CRIME VICTIM COMPENSATION COMMISSION

G.M. No. 772 ABELINA SHAW, for a term to expire 6-30-2017

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 Crime Victim Compensation Commission.

Your Committee received testimony in support of the nomination of Abelina Shaw from the Department of Public Safety, Crime Victim Compensation Commission, National Federation of Filipino American Associations, United Filipino Council of Hawaii, Filipino Coalition for Solidarity, Filipino American Citizens League, Filipinos for Affirmative Action, Advantage Health Care Provider, and seven individuals.

Ms. Shaw received her Juris Doctorate, Master of Arts in Communication, and Bachelor of Education degrees from the University of Hawaii. She currently works in private practice at the Law Office of Abelina Madrid Shaw, LLC.

Your Committee finds that Ms. Shaw is an experienced legal advocate and has served Hawaii in various capacities, including in the legislative, executive, and judicial branches of government. Additionally, Ms. Shaw has worked on many community projects relating to education, women's rights, civil rights, and non-discrimination.

Your Committee finds that Ms. Shaw has been appointed to the Crime Victim Compensation Commission based on her vast knowledge, relevant experience, and deep commitment to public service.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1569 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. No. 786**

Recommending that the Senate advise and consent to the nomination of the following:

ADVISORY BOARD ON VETERANS' SERVICES

G.M. No. 786 PATRICIA WIELAND, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Patricia Wieland to possess the requisite qualifications to be nominated to the Advisory Board on Veterans' Services.

Your Committee received testimony in support of the nomination of Ms. Wieland from the State Office of Veterans Services and six individuals.

Ms. Wieland served twenty-one years in the United States Navy Reserve. She currently works as the Veterans Affairs Voluntary Service Manager, where she has increased the veterans' affairs volunteer team from twenty volunteers to over 250 volunteers statewide. Ms. Wieland's community service includes work with the Palehua Hale, Sacred Heart Church, and the American Legion.

Your Committee finds that over the past four years, Ms. Wieland has done an excellent job serving as the Chair of the Advisory Board on Veterans' Services. She has been successful working on issues and programs that support veterans and their families in Hawaii.

Upon review of the testimony, your Committee finds that Ms. Wieland is a fierce and tireless supporter of veterans' rights. Ms. Wieland's professional background, experience, and dedication to serving Hawaii's veterans qualify her for reappointment to the Advisory Board on Veterans' Services.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1570 Public Safety, Intergovernmental and Military Affairs on Gov. Msg. Nos. 778, 787, 788, and 789**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII AEROSPACE ADVISORY COMMITTEE

G.M. No. 778 REID NOGUCHI, for a term to expire 6-30-2015;

G.M. No. 787 STEPHEN DAY, for a term to expire 6-30-2015;

G.M. No. 788 DANIEL HANLON, for a term to expire 6-30-2015; and

G.M. No. 789 MARK SPENCE, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements by the nominees and finds Reid Noguchi, Stephen Day, Daniel Hanlon, and Mark Spence to possess the requisite qualifications to be nominated to the Hawaii Aerospace Advisory Committee.

REID NOGUCHI

Your Committee received testimony in support of the nomination of Reid Noguchi from the Department of Business, Economic Development, and Tourism and one individual.

Mr. Noguchi received a Master of Science degree and a Bachelor of Science degree in Aeronautical/Astronautical Engineering from the Massachusetts Institute of Technology.

Mr. Noguchi currently works as the General Manager for BAE Systems Electronic Systems, where he manages over \$35,000,000 in related contracts with the U.S. Navy. He has over fifteen years of applied engineering experience developing commercial communications satellites and airborne remote sensing systems for the U.S. Department of Defense.

Your Committee finds that Mr. Noguchi's diverse background as an engineer, manager, and leader qualify him for appointment to the Hawaii Aerospace Advisory Committee.

STEPHEN DAY

Your Committee received testimony in support of the nomination of Stephen Day from the Department of Business, Economic Development, and Tourism.

Mr. Day received a Master's degree from the Georgia Institute of Technology and a Bachelor's degree from Leeds University.

Mr. Day has more than thirty years of experience in sales, marketing, strategy, and general management in the space, telecommunications, information technology, chemical, textiles, and electronics industries.

Mr. Day served as the Chief Executive Officer and founder of International Ventures Associates, where he provided strategic advice and investment support for telecommunications, information technology, and software companies in the United States, Western Europe, and the Asia-Pacific region.

Your Committee finds that Mr. Day's professional skills and experience will make him an effective and valuable member of the Hawaii Aerospace Advisory Committee.

DANIEL HANLON

Your Committee received testimony in support of the nomination of Daniel Hanlon from the Department of Business, Economic Development, and Tourism; and two individuals.

Mr. Hanlon received a Master of Arts degree in Clinical Psychology from George Mason University. He received a Bachelor of Arts degree in Psychology from the University of Richmond.

Mr. Hanlon currently serves as the Director of the Federal-Civil Programs for the Raytheon Company. Mr. Hanlon's professional experience includes working for the Federal Aviation Administration for over thirty years.

Your Committee finds that Mr. Hanlon's extensive experience in aviation operations, advanced technology applications, program management, international business, strategic planning, and corporate communications qualify him for appointment to the Hawaii Aerospace Advisory Committee.

MARK SPENCE

Your Committee received testimony in support of the nomination of Mark Spence from the Department of Business, Economic Development, and Tourism; and seven individuals.

Mr. Spence currently serves as the Manager for Dispatch Operations at Hawaiian Airlines, where he pioneered new weather-related aviation technologies using satellite data to improve air transport safety and performance. Additionally, Mr. Spence has participated in numerous aviation industry and government projects.

Your Committee finds that Mr. Spence's professional skills, background, and experience make him a valuable addition to the Hawaii Aerospace Advisory Committee.

As affirmed by the records of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Green).

**SCRep. 1571 Tourism and Hawaiian Affairs on Gov. Msg. No. 687**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL, ISLANDS OF KAUA'I AND NI'IHAU

G.M. No. 687 BARBARA SAY, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Barbara Say to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council for the Islands of Kaua'i and Ni'ihau.

Your Committee received testimony in support of Barbara Say from the Department of Land and Natural Resources, Office of Hawaiian Affairs, and two individuals.

Ms. Say is a respected kupuna and Hawaiian cultural practitioner who possesses expertise in state burial law, council procedures, and Hawaiian cultural practices related to burials. She has been involved in the care and protection of Hawaiian burials since before the state law on Hawaiian burials was enacted. Ms. Say was a founding member of the Kaua'i and Ni'ihau Island Burial Council and has served various terms with the council under four governors. In 1991, she traveled to Washington, D.C., to retrieve iwi kupuna on display at the Smithsonian Institution to allow for that iwi kupuna to be reinterred in Poipu, Kaua'i. Most recently, she assisted in the reinterment of iwi kupuna from the Moore property in Haena, Kaua'i. In addition to her service to the iwi kupuna, Ms. Say is an active member of the Ahahui O Ka'ahumanu Society, Hanalei Community Association, and Wai'oli Hui'ia Church.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 3 (Hee, Keith-Agaran, Shimabukuro).

**SCRep. 1572 Tourism and Hawaiian Affairs on Gov. Msg. No. 729**

Recommending that the Senate advise and consent to the nomination of the following:

ISLAND BURIAL COUNCIL ISLAND OF O'AHU

G.M. No. 729 HINALEIMOANA WONG-KALU, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Hinaleimoana Wong-Kalu to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council for the Island of O'ahu.

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Hawaii Community Development Authority; Turtle Bay; Howard Hughes Corporation; Kuiwalu Consulting; Papa Ola Lokahi; Alexander & Baldwin, Inc.; Aukahi; Taubman Centers and CoastWood Capital Group; Stanford Carr Development, LLC; Na Koa Ikaika; Cultural Surveys Hawaii, Inc.; and thirteen individuals.

Ms. Wong-Kalu graduated from Kamehameha Schools and earned Bachelor's degrees in Hawaiian Studies and Education from the University of Hawaii at Manoa. Ms. Wong-Kalu currently serves as the Chair of the Oahu Island Burial Council and represents the Kona region. During her tenure on the Island Burial Council, she has developed an excellent rapport with state and local government officials and has mediated many contentious situations. She has also been instrumental in facilitating meaningful discussions between the Department of Land and Natural Resources and large developers on Oahu regarding iwi kupuna.

In addition to serving as the current Chair of Oahu's Island Burial Council, Ms. Wong-Kalu is currently a kumu hula and Hawaiian language instructor at Halau Lokahi Public Charter School. She also serves as a cultural consultant and volunteer for 'Iolani Palace and is on the Board of Kulia Na Mamo and the 'Ilio'ulaokalani Coalition. As is evidenced by the numerous statements submitted on her behalf, this nominee demonstrates exemplary leadership skills and is widely respected throughout the community for her cultural sensitivity and informed and active approach to decision making on the Council.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 5. Noes, none. Excused, 3 (Hee, Keith-Agaran, Shimabukuro).

**SCRep. 1573 Education on H.C.R. No. 57**

The purpose and intent of this measure is to support family-school partnerships in education.

More specifically, this measure requests the Board of Education and the Department of Education to:

- (1) Continue to collaborate with family and community organizations to establish, implement, and monitor statewide policy recommendations for family engagement in public schools;
- (2) Take the actions necessary to fulfill the legislative intent of Senate Concurrent Resolution No. 145, Regular Session of 2011, and Senate Concurrent Resolution No. 79, Regular Session of 2012; and
- (3) Report their findings and recommendations regarding the facilitation of family-school partnerships, including any proposed legislation and the status of the actions taken to fulfill the legislative intent of Senate Concurrent Resolution No. 145 (2011) and Senate Concurrent Resolution No. 79 (2012), to the Legislature no later than twenty days prior to the convening of the Regular Session of 2014.

Your Committee received testimony in support of this measure from the Department of Education, State Council on Developmental Disabilities, Hui for Excellence in Education, Hilopa'a Family to Family Health Information Center, Special Education Advisory Council, and one individual.

Your Committee finds that family-school partnerships in public education can help create policies, strategies, and practices that support learning and improve student achievement. Your Committee also finds that the Department of Education, in collaboration with a working group comprised of family and community organizations, completed numerous actions in preparation for updating and implementing statewide policies for family-school partnerships. This measure will enable the Department and the working group to continue their work and fulfill the legislative intent of Senate Concurrent Resolution No. 145 (2011) and Senate Concurrent Resolution No. 79 (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 H.C.R. No. 57, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1574 Education on H.C.R. No. 178**

The purpose and intent of this measure is to request the Board of Education to incorporate sustainability education into the science curriculum of public schools.

Your Committee received testimony in support of this measure from The Kohala Center, Hawai'i Island School Garden Network, Hawaii Sustainable Education Initiative, Kokua Hawaii Foundation, The Green House Hawaii, Nature Talks, and eighteen individuals. Your Committee received testimony in opposition to this measure from the Department of Education and one individual.

Your Committee finds that the sustainable use of resources and clean energy are essential to Hawaii given its location in the middle of the Pacific Ocean.

Your Committee further finds that sustainability education should be incorporated into the current courses at Hawaii's public schools so that children can learn to protect the unique character of the State and provide security for generations of residents to come.

Your Committee has amended this measure by:

- (1) Adding findings regarding the Board of Education's Policy No. 6710, relating to sustainability at Department of Education facilities;
- (2) Deleting the language requesting the Board of Education to incorporate sustainability into the science curriculum of public schools;
- (3) Requesting the Board of Education to review and modify Board Policy No. 6710 to identify ways to incorporate sustainability education and environmental stewardship at the classroom level, specifically identifying the common core and/or content areas that may incorporate such classes;
- (4) Adding language requesting that the Board of Education and Department of Education identify and encourage, as appropriate, opportunities to engage students, classes, and schools in activities including but not limited to project-based learning, mentorships, and data collection in connection with Board Policy No. 6710 at the complex area support level;
- (5) Changing its title to read, "REQUESTING THE BOARD OF EDUCATION TO REVIEW AND MODIFY BOARD POLICY NO. 6710 TO IDENTIFY WAYS TO INCORPORATE SUSTAINABILITY EDUCATION AND ENVIRONMENTAL STEWARDSHIP AT THE CLASSROOM LEVEL"; 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 Education 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, 4; Ayes with Reservations (Kidani). Noes, none. Excused, 1 (Slom).

**SCRep. 1575 Higher Education on Gov. Msg. Nos. 711, 712, 713, and 714**

Recommending that the Senate advise and consent to the nominations of the following:

UNIVERSITY OF HAWAII BOARD OF REGENTS

G.M. No. 711 EUGENE BAL III, for a term to expire 6-30-2018;

G.M. No. 712 BARRY MIZUNO, for a term to expire 6-30-2018;

G.M. No. 713 RANDOLPH MOORE, for a term to expire 6-30-2013; and

G.M. No. 714 RANDOLPH MOORE, for a term to expire 6-30-2018

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Eugene Bal III, Barry Mizuno, and Randolph Moore to possess the requisite qualifications to be nominated to the University of Hawaii Board of Regents.

EUGENE BAL III

Your Committee received testimony in support of the nomination of Eugene Bal III from the Governor and twenty-six individuals.

Your Committee finds that Mr. Bal is the Executive Director of the Maui High Performance Computing Center. Mr. Bal has also served in the United States Navy and has over forty years of experience in various leadership roles managing all aspects of complex scientific, technical, and engineering programs.

Mr. Bal has volunteered his time serving on the Governor's Economic Revitalization Task Force, State of Hawaii Workforce Development Council, Hawaii Community Foundation Board of Governors, Maui County Small Business Advisory Council, and the Maui Economic Development Board, among others. He has also been active with the Maui Memorial Medical Center Foundation, Maui Historical Society, and Maui County Council of the Boy Scouts of America.

Mr. Bal testified that his vision as a member of the Board of Regents is to build the reputation and credibility of the University of Hawaii through the improved performance of the entire University system, including the Board of Regents. Mr. Bal testified that in supporting this goal, there needs to be a focus on graduating students who are well prepared to be competitive in the information age, advancing the University of Hawaii as a Carnegie Institution of Higher Learning through increased research activity, growing contract and grant funding while managing tuition costs, and developing the University Affiliated Research Center to help it reach its potential.

Your Committee believes that Mr. Bal's background will provide the Board of Regents with a fresh perspective in helping the University of Hawaii System in accomplishing its mission.

BARRY MIZUNO

Your Committee received testimony in support of the nomination of Barry Mizuno from the Governor, Office of the Mayor of the County of Hawaii'i, Japanese Chamber of Commerce & Industry of Hawaii, and seventeen individuals.

Your Committee finds that Mr. Mizuno is a licensed Certified Public Accountant. He also founded BTM, LLC, an energy management consulting firm, in 2006. Prior to forming BTM, LLC, Mr. Mizuno was the Financial Manager of Puna Geothermal Venture. Mr. Mizuno fully retired in 2012.



Mr. Mizuno is an active member of the Hawaii Island community. He volunteers his time raising money for Hospice of Hilo and is involved with the Hawaii Island Economic Development Board, Japanese Chamber of Commerce & Industry of Hawaii, and W.H. Shipman, Ltd.

Mr. Mizuno testified that it is important that the University of Hawaii provide quality education at an affordable price. Mr. Mizuno also testified that the University must maintain its financial viability through thoughtful balancing of its expenses with its various revenue sources, including tuition and fees.

Mr. Mizuno has served as a member of the Board of Regents since August 2011 and serves as Chair of the Planning and Facilities Committee, Vice-Chair of the Committee on University Audits, and a member of the Committees on Community Colleges and on Budget and Finance.

As a current member of the Board of Regents, Mr. Mizuno testified that he is aware of the various concerns raised by the Senate Special Committee on Accountability in Special Committee Report No. 2, Regular Session of 2013, regarding the oversight, transparency, and accountability of the University of Hawaii System, including the Board of Regents.

Your Committee believes that the Board of Regents and the University of Hawaii System will benefit from Mr. Mizuno's continued service.

#### RANDOLPH MOORE

Your Committee received testimony in support of the nomination of Randolph Moore from the Governor, Papa Ola Lokahi, and seventeen individuals.

Your Committee finds that Mr. Moore has over thirty-five years of experience in the business world, starting at Castle & Cooke, where he was a Financial Analyst, Corporate Treasurer, Group Comptroller for Real Estate, Senior Vice President, Executive Vice President, and President of its Oceanic Properties subsidiary. Mr. Moore spent three years as the President of Molokai Ranch and twelve years as the Chief Executive Officer of Kaneohe Ranch.

After retiring from Kaneohe Ranch, Mr. Moore went on to become a teacher at Central Middle School. Thereafter, he spent over six years with the Department of Education as the Assistant Superintendent for School Facilities and Support Services.

Mr. Moore has been involved with Aloha United Way, The Chamber of Commerce of Hawaii, Hale Kipa, Hanahaouli School, and countless other community and educational organizations.

Mr. Moore testified that the role of the Board of Regents is to establish policies that will facilitate the University of Hawaii's ability to fulfill its mission, select and support the leadership necessary to move the University forward, monitor the results, make course corrections when warranted, and celebrate the University's successes.

Your Committee believes that Mr. Moore's unique background and leadership experience 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 Higher Education that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

For Gov. Msg. Nos. 711, 713, and 714:

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

For Gov. Msg. No. 712:

Ayes, 5; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Kidani).

#### **SCRep. 1576 Health on Gov. Msg. No. 539**

Recommending that the Senate advise and consent to the nomination of the following:

#### BOARD OF HEALTH

G.M. No. 539 DIANNE OKUMURA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Dianne Okumura to possess the requisite qualifications to be nominated to the Board of Health.

Your Committee received testimony in support of the nomination of Ms. Okumura from the Hawaii State Center for Nursing; Hawaii Long Term Care Association; Na Puuwai; Ohana Pacific; and four individuals.

Your Committee notes that Ms. Okumura retired from the Hawaii Department of Health after thirty-four years of service in a number of important capacities, including Public Health Nurse, School Health Nurse, Nurse Case Manager for the Developmentally Disabled, Perinatal Nurse Consultant, Nurse Surveyor, and, most prominently, Chief of the Office of Health Care Assurance. Ms. Okumura now relies on her impressive experience in providing consultation for long term care strategic planning and issues relating to quality of care and quality of life for the elderly and disabled populations. Additionally, Ms. Okumura has demonstrated significant dedication to public service, as evidenced by her exemplary state service as a public health nurse and health consultant, in addition to her contributions as Executive Vice President of the Hawaii Long Term Care Association and as a member of the Advanced Practice Registered Nurse Sub-Committee and the Continuing Education/Competency Joint Task Force under the Hawaii Center for Nursing.

Your Committee finds that Ms. Okumura has been appointed to the Board of Health based on her knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1577 Health on Gov. Msg. Nos. 547 and 548**

Recommending that the Senate advise and consent to the nominations of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, HAWAII SERVICE AREA BOARD

G.M. No. 547 ELIZABETH COOL, for a term to expire 6-30-2016; and

G.M. No. 548 JAMAL WASAN, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Elizabeth Cool and Jamal Wasan to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Mental Health and Substance Abuse, Hawaii Service Area Board.

ELIZABETH COOL

Your Committee received testimony in support of this nominee from the Department of Health.

Ms. Cool is an advocate for people living with mental illness and brings a unique perspective to the Board based on her own experiences involving individuals with mental illness and substance abuse issues. Ms. Cool volunteers four days a week at the West Hawaii Community Mental Health Center. Ms. Cool is passionate about improving mental health care and increasing community based services for individuals with mental illness and substance abuse issues and will serve as a consumer representative on the Board.

JAMAL WASAN

In addition to numerous military decorations, Dr. Wasan earned a Doctorate of Philosophy in Health Psychology from Walden University, a Master's degree in Clinical Psychology from St. Mary's University in San Antonio, and a Master's degree in Public Administration from the University of Oklahoma. Since completing his Master's degree in Clinical Psychology, he has held positions with the Big Island Substance Abuse Council and the Department of Veterans Affairs. He currently serves as the President and Chief Executive Officer of Lokahi Treatment Centers, where he has worked for over ten years. He is also a member of the American Psychological Association and American Counseling Association. Dr. Wasan possesses a well-grounded view of the nature and level of services required for effective mental health and substance abuse treatment and will serve as a provider representative on the Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1578 Health on Gov. Msg. Nos. 550, 551, and 643**

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. 550 KENNETH BRANDT, for a term to expire 6-30-2016;

G.M. No. 551 RICHARD JACKSON, for a term to expire 6-30-2016; and

G.M. No. 643 SHIRLEY DAVENPORT, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kenneth Brandt, Richard Jackson, and Shirley Davenport to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Mental Health and Substance Abuse, Oahu Service Area Board.

KENNETH BRANDT

Your Committee received testimony in support of this nominee from the Department of Health.

Mr. Brandt received a Master's degree in Social Work from San Diego State College and is a licensed social worker in Hawaii and California. Mr. Brandt has held numerous positions with various different health care agencies serving individuals with mental illness throughout his career. Mr. Brandt is retired and currently serves as the Vice-Chair of the Mental Health and Substance Abuse, Oahu Service Area Board. He provides a wealth of experience to the Board and offers meaningful recommendations to improve the community's mental health care system.

RICHARD JACKSON

Your Committee received testimony in support of this nominee from the Department of Health and one individual.

Mr. Jackson graduated from Delta College and Central Michigan University. He currently works at the National Oceanic and Atmospheric Administration's National Weather Service. Mr. Jackson has previously served on the Board and would like to serve a fifth term because he is concerned about the continuing stigma, discrimination, and misinformation surrounding mental illness and substance abuse issues. His professional and life experiences provide a meaningful perspective to board discussions. He is especially

adept at tracking local and national legislation and current events as they relate to individuals with mental illness and substance abuse. Mr. Jackson is a fierce advocate for individuals with mental illness, and his passion for furthering the rights of individuals with disabilities will be an asset to the Board.

#### SHIRLEY DAVENPORT

Your Committee received testimony in support of this nominee from the Department of Health.

After a career in the United States Navy and the hotel industry, Ms. Davenport earned a Bachelor's degree in Psychology and a Master's degree in Social Work from the University of Hawaii and is a candidate for a Doctorate of Psychology degree at the University of the Rockies. Since graduation, Ms. Davenport spent several years as a clinician at the Waianae Coast Community Mental Health Center. She is currently a social worker for the River of Life Mission. In addition to numerous professional affiliations, Ms. Davenport is on the Board of Directors for the National Association of Mental Illness. She is determined to educate the public and reduce the disparity and stigma surrounding mental illness and addiction and is an ideal appointee to the Mental Health and Substance Abuse, Oahu Area Service Board.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

#### **SCRep. 1579 Health on Gov. Msg. Nos. 555, 556, 558, 559, 560, 645, 646, and 647**

Recommending that the Senate advise and consent to the nominations of the following:

#### STATE COUNCIL ON MENTAL HEALTH

- G.M. No. 555 KATRINA LORENZO, for a term to expire 6-30-2015;
- G.M. No. 556 LOUISE CRUM, for a term to expire 6-30-2016;
- G.M. No. 558 PATRICK BROWN, for a term to expire 6-30-2016;
- G.M. No. 559 SHEILA CALCAGNO, for a term to expire 6-30-2016;
- G.M. No. 560 WANDA MARIE VORSINO, for a term to expire 6-30-2016;
- G.M. No. 645 JONATHAN HARRIS, for a term to expire 6-30-2015;
- G.M. No. 646 STEVEN SHIRAKI, for a term to expire 6-30-2015; and
- G.M. No. 647 G. NOELANI WILCOX, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Katrina Lorenzo, Louise Crum, Patrick Brown, Sheila Calcagno, Wanda Marie Vorsino, Jonathan Harris, Steven Shiraki, and G. Noelani Wilcox to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the State Council on Mental Health.

#### KATRINA LORENZO

Your Committee received testimony in support of this nominee from the Department of Health.

Ms. Lorenzo is serving on the State Council on Mental Health on an interim basis as the youth representative. Currently, she is pursuing a Bachelor's degree in Nursing at the University of Hawaii at Hilo. She has a significant amount of clinical experience as a student nurse and is involved with the Teens for Safer Communities Coalition, National Student Safety Program, and First United Protestant Church Outreach Committee. Ms. Lorenzo is nominated to fill the youth representative position on the Council.

#### LOUISE CRUM

Your Committee received testimony in support of this nominee from the Department of Health and five individuals.

Ms. Crum earned a Bachelor's degree in Social Sciences and a Master's degree in Education in Counseling and Guidance from the University of Hawaii. Ms. Crum has worked with individuals with mental illness for the past twelve years. She is currently the Mental Health Coordinator for the Mental Health Court, a program that reduces recidivism and incarceration rates of those with mental illness. Ms. Crum is passionate about improving outcomes for individuals with mental illness and seeks to facilitate interagency cooperation to ensure that individuals with mental illness receive the highest level of services. She fills the position of a state agency employee who represents the criminal justice system.

#### PATRICK BROWN

Your Committee received testimony in support of this nominee from the Department of Health.

Dr. Brown retired from the federal government after thirty years of service, mostly as a human resources manager. He has over twenty years of experience living and working with foster care youth with addiction and mental illness and co-wrote a book to assist other families struggling with the effects of mental illness and addiction. He currently serves as the Chair of the Mental Health and Substance Abuse, Oahu Service Area Board and is nominated to the State Council on Mental Health as the Oahu Area Service Board representative.

SHEILA CALCAGNO

Your Committee received testimony in support of this nominee from the Department of Health.

Ms. Calcagno is an active member of the Mental Health and Substance Abuse, Kauai Service Area Board and was elected by that Board to serve as its representative on the State Council on Mental Health. Ms. Calcagno studied Human Services and Women's Studies at the University of Hawaii at Hilo. She is an outreach worker for individuals with Human Immunodeficiency Virus and drug addiction and is a strong advocate for individuals with disabilities.

WANDA MARIE VORSINO

Your Committee received testimony in support of this nominee from the Department of Health.

Dr. Vorsino received a Master's degree in Counseling Psychology at Chaminade University of Honolulu and went on to earn a Clinical Doctorate of Psychology from Argosy University. Dr. Vorsino currently holds a position as a Forensic Clinical Psychologist at the Hawaii Youth Correctional Facility where she provides crisis counseling, substance abuse counseling, risk assessments, psychological testing, and family therapy. She previously held a position as the performance manager for the Hawaii Department of Health's Child and Adolescent Mental Health Division. Dr. Vorsino understands first-hand the necessity for a robust mental health system of care and seeks to improve access to quality mental health services in Hawaii. She is being nominated to serve as the Department of Health representative on the Council.

JONATHAN HARRIS

Your Committee received testimony in support of this nominee from the Department of Health and one individual.

Mr. Harris earned his nursing degree from Kapiolani Community College. Since then, he has worked as a registered professional nurse at various agencies including as a nurse consultant for adults and children with substance abuse and mental illness at the Office of Health Care Assurance. He has served on the council since 2009 and currently serves as the state medicaid representative and first Vice-Chair on the Council.

STEVEN SHIRAKI

Your Committee received testimony in support of this nominee from the Department of Health and three individuals.

Dr. Shiraki received a Doctor of Philosophy degree in Education from the University of Hawaii at Manoa. He worked as a certified special education teacher for fourteen years, as a Vice Principal at three elementary schools, and as an educational specialist at the district level. He currently is an Administrator in the Student Support Services Branch in the Department of Education, which is responsible for the Department's Comprehensive Student Support System. He seeks to connect children, families, and adults with appropriate and effective community-based services. Dr. Shiraki is being nominated for his second term on the Council.

G. NOELANI WILCOX

Your Committee received testimony in support of this nominee from the Department of Health.

Ms. Wilcox earned a Bachelor's and Master's degree in Nursing from the University of Hawaii at Manoa. She worked for many years with the Department of Health in the Adult Mental Health Division and the Public Health Nursing Branch. Ms. Wilcox possesses expertise in a variety of mental health areas, including co-occurring psychiatric and substance abuse disorders and crisis and emergency services. She is also intimately familiar with the child and adolescent mental health system. Ms. Wilcox is being nominated for her second term on the Council and fills the family member position.

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, none.

**SCRep. 1580 Health on Gov. Msg. Nos. 541, 542, and 543**

Recommending that the Senate advise and consent to the nominations of the following:

EMERGENCY MEDICAL SERVICE ADVISORY COMMITTEE

G.M. No. 541 DIAN GRUBER, for a term to expire 6-30-2014;

G.M. No. 542 ELIZABETH CHAR, for a term to expire 6-30-2017; and

G.M. No. 543 RALPH YAWATA, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Dian Gruber, Elizabeth Char, and Ralph Yawata to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Emergency Medical Service Advisory Committee.

DIAN GRUBER

Your Committee received testimony in support of this nominee from the Department of Health.

Ms. Gruber is a Registered Nurse and is the Manager of Ambulatory Surgery, Recovery Room, and Endoscopy at Maui Memorial Medical Center. She has significant experience working at various emergency departments, including the Memorial Medical Center in Corpus Christi, Texas; Providence Hospital in Anchorage, Alaska; West Suburban Hospital in Oak Park, Illinois; and Loyola

University Medical Center in Chicago, Illinois. She is an interim appointee to the Emergency Medical Service Advisory Committee, where her significant experience in emergency medical care has proven to be a valuable resource to the Committee.

ELIZABETH CHAR

Your Committee received testimony in support of this nominee from the Department of Health, Hawaii Fire Department, American Medical Response, and one individual.

Dr. Char earned a Bachelor's degree in Biology from the University of Hawaii and a Doctorate of Medicine degree from the University of Hawaii John A. Burns School of Medicine. She completed her residency requirements in Emergency Medicine at the University of California, Los Angeles and in General Surgery at the University of Hawaii Integrated Surgical Residency program. She currently works in the Emergency Department at the Straub Clinic and Hospital, is the Medical Director for American Medical Response on Oahu, and is a physician with the Metropolitan Medical Response System. In the past, she served as Director of the Emergency Services Department for the City and County of Honolulu and as the Director of Medical Education for the Emergency Department at The Queen's Medical Center. She is involved in numerous community activities and serves on the Board of Directors of the American College of Emergency Physicians Hawaii Chapter. She has been serving as an interim appointee to the Emergency Medical Service Advisory Committee since July 2012. Her significant experience and expertise in Emergency Medicine has already provided the Committee with valuable insight and direction, and she will be a valuable resource to the Committee moving forward.

RALPH YAWATA

Your Committee received testimony in support of this nominee from the Department of Health.

Mr. Yawata recently retired from the Hawaii County Fire Department where he served as the Battalion Chief of Emergency Medical Services (EMS) and later as the Assistant Chief of Support Services overseeing the Hawaii Fire Department's EMS Bureau. Currently, he is an auxiliary EMS instructor for Kapiolani Community College at Hawaii Community College where his primary role is conducting First Responder/Emergency Medical Responder Training certification courses. He also teaches First Aid, CPR, and AED for Hawaii Preparatory Academy and is a Safety Officer at Four Seasons Resort Hualalai. He has served as an interim appointee to the Emergency Medical Service Advisory Committee since July 2012 and provides the Committee with a wealth of knowledge, experience, and expertise on emergency response services.

As affirmed by the records of votes of the members of your Committee on Health that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1581 Health on Gov. Msg. Nos. 552, 553, and 644**

Recommending that the Senate advise and consent to the nominations of the following:

RADIOLOGIC TECHNOLOGY BOARD

G.M. No. 552 DONALD WOOD, for a term to expire 6-30-2014;

G.M. No. 553 GARY ROPERT, for a term to expire 6-30-2015; and

G.M. No. 644 LARRY CARNES, for a term to expire 6-30-2016

DONALD WOOD

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Donald Wood to possess the requisite qualifications to be nominated to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Mr. Wood from the Department of Health.

Mr. Wood has over thirty-four years of experience as a Certified Radiologic Technologist credentialed by the American Registry of Radiologic Technologists. Your Committee further notes that Mr. Wood has ten years of experience as Director of Imaging for two separate medical organizations. Mr. Wood also has extensive experience with image Picture Acquisition Archive Communication, including Computer Radiology processing, theory, quality assurance, and operation. Finally, your Committee notes that Mr. Wood served as a Hospital Corpsman in the United States Navy, demonstrating a commendable commitment to public service. Your Committee finds that Mr. Wood has been appointed to the Radiologic Technology Board based on his knowledge, professional experience, and commitment to public service.

GARY ROPERT

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Gary Ropert to possess the requisite qualifications to be nominated to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Mr. Ropert from the Department of Health and one individual.

Your Committee notes that Mr. Ropert has over thirty years of experience in the field of nuclear imaging, including sixteen years as the Chief Nuclear Medicine Technologist at Wahiawa General Hospital and seven years as the Director of Diagnostic Imaging at Wahiawa General Hospital. Mr. Ropert has extensive experience in the areas of medical imaging computers, healthcare information systems, computed tomography, and general radiography. Your Committee finds that Mr. Ropert has been appointed to the Radiologic Technology Board based on his knowledge, professional experience, and commitment to public service.

LARRY CARNES

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Larry Carnes to possess the requisite qualifications to be nominated to the Radiologic Technology Board.

Your Committee received testimony in support of the nomination of Mr. Carnes from the Department of Health.

Your Committee notes that Mr. Carnes has over twenty-two years of experience as a diagnostic radiologist, including time in public service and private practice. Mr. Carnes is currently a Radiologic Technologist at Castle Medical Center, where his duties include performing routine x-rays, operating c-arms in operating rooms for orthopedic surgeries, performing portable examinations in the operating room, and working in the dark room processing films. Mr. Carnes also possesses hands-on experience in preparing for and assisting with arteriograms, venograms, venous access, dialysis procedures, chest tube placement, GJ tube placement, and GI/GU tube placement. Your Committee finds that Mr. Carnes has been appointed to the Radiologic Technology Board based on his knowledge, professional experience, and commitment to public 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, 5. Noes, none. Excused, none.

**SCRep. 1582 Health on Gov. Msg. Nos. 544 and 545**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII HEALTH AUTHORITY

G.M. No. 544 LESLIE B. CHUN, for a term to expire 6-30-2016; and

G.M. No. 545 VIRGINIA PRESSLER, for a term to expire 6-30-2016

LESLIE B. CHUN

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Leslie B. Chun to possess the requisite qualifications to be nominated to the Hawai'i Health Authority.

Your Committee received testimony in support of the nomination of Mr. Chun from one individual.

Your Committee notes that Mr. Chun received a Bachelor of Arts degree from Harvard University, a Master of Business Administration degree from the University of California, Los Angeles, and a Doctor of Medicine degree from University of California, Los Angeles. From 2002 to 2005, Mr. Chun was a medical resident at Massachusetts General Hospital. From 2002 to 2011, Mr. Chun served on the faculty of Harvard Medical school, first as a Clinical Fellow, then as an Instructor in Medicine, and finally as a Clinical Instructor in Medicine. Your Committee further notes that Mr. Chun has served as a Medical Executive at Health Dialog Analytic Solutions, Partners Healthcare Newton-Wellesley Hospital, and presently at Maui Memorial Medical Center. Your Committee finds that Mr. Chun has been appointed to the Hawai'i Health Authority based on his knowledge, professional experience, and commitment to public service.

VIRGINIA PRESSLER

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Virginia Pressler to possess the requisite qualifications to be nominated to the Hawai'i Health Authority.

Your Committee received testimony in support of the nomination of Ms. Pressler from the Healthcare Association of Hawaii and Hawaii Pacific Health.

Your Committee notes that Ms. Pressler received a Bachelor of Arts degree from Cornell University, a Master of Business Administration degree from the University of Hawaii, a Master of Science degree from the University of Hawaii, and a Doctor of Medicine degree from the University of Hawaii John A. Burns School of Medicine. Ms. Pressler has over thirty-five years of experience in the field of medicine and has served over twenty years as an executive in both private practice and public service. Ms. Pressler is currently the Executive Vice President and Chief Strategic Officer for Hawaii Pacific Health.

Your Committee notes that Ms. Pressler has demonstrated significant dedication to public service, as evidenced by her exemplary service in over thirty community service organizations during the course of her career. Based on her outstanding community service, Ms. Pressler has also received numerous awards. Your Committee finds that Ms. Pressler has been appointed to the Hawai'i Health Authority based on her knowledge, professional experience, and commitment to public 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, 1 (Slom).

**SCRep. 1583 Health on Gov. Msg. No. 636**

Recommending that the Senate advise and consent to the nomination of the following:

DISABILITY AND COMMUNICATION ACCESS BOARD

G.M. No. 636 KIRBY SHAW, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kirby Shaw to possess the requisite qualifications to be nominated to the Disability and Communication Access Board.

Your Committee received testimony in support of the nomination of Mr. Shaw from the Disability and Communication Access Board and two individuals.

Your Committee notes that Mr. Shaw received a Juris Doctorate degree from the University of Hawaii William S. Richardson School of Law, and has also attained a Master's degree in Public Administration from the University of Hawaii at Manoa. Significantly, Mr. Shaw has over twenty years of experience working as staff for the Disability and Communication Access Board and its predecessor agencies, the Commission on the Handicapped and the Commission on Persons with Disabilities. Mr. Shaw rose to the position of Coordinator of the Program and Policy Development Unit, which is responsible for analyzing laws and services that impact persons with disabilities, including the Americans with Disabilities Act and the Air Carrier Access Act. Additionally, Mr. Shaw is a person with a disability whose personal experience complements his significant professional experience. Finally, Mr. Shaw has demonstrated significant dedication to public service, as evidenced by his current service as Director and Vice President of the Hawaii Disability Rights Center and past service as Director and President of the Hawaii Centers for Independent Living, as well as past service in other important community positions.

Your Committee finds that Mr. Shaw has been appointed to the Board of Health based on his knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1584 Health on Gov. Msg. Nos. 561, 734, 739, 740, 741, 744, 770, and 771**

Recommending that the Senate advise and consent to the nominations of the following:

STATEWIDE HEALTH COORDINATING COUNCIL

G.M. No. 561 NORA NOMURA, for a term to expire 6-30-2014;

G.M. No. 734 WILLIAM BAILEY, for a term to expire 6-30-2017;

G.M. No. 739 CHRISTOPHER SIBLEY, for a term to expire 6-30-2017;

G.M. No. 740 JAMES WALSH, for a term to expire 6-30-2017;

G.M. No. 741 JONAGUSTINE LIM, for a term to expire 6-30-2016;

G.M. No. 744 REBECCA WARD, for a term to expire 6-30-2017;

G.M. No. 770 WENDY MORRIARTY, for a term to expire 6-30-2017; and

G.M. No. 771 JOHN BARNETT, for a term to expire 6-30-2017

NORA NOMURA

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nora Nomura to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Ms. Nomura from the Department of Health, Department of Human Resources Development, and International Longshore and Warehouse Union, Local 142.

Your Committee notes that Ms. Nomura has over twenty-eight years of experience with the Hawaii Government Employees Association working as a Union Agent, Field Services Officer, Executive Assistant to the Director, Legislative Officer, and Deputy Executive Director. Ms. Nomura was directly responsible for overseeing contract negotiations on behalf of twenty-eight thousand union members. Ms. Nomura's other duties included contract enforcement, bargaining unit governance, training and education, legislative and political action, and community service.

Your Committee notes that Ms. Nomura has demonstrated significant dedication to public service, as evidenced by her exemplary service as a board member for Aloha United Way, the AFL-CIO, Domestic Violence Action Center, the Patsy T. Mink Commission, and the Board of Speech Pathology and Audiology. Your Committee finds that Ms. Nomura has been appointed to the Statewide Health Coordinating Council based on her knowledge, professional experience, and commitment to public service.

WILLIAM BAILEY

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds William Bailey to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Mr. Bailey from the Department of Health, Healthcare Association of Hawaii, and one individual.

Your Committee notes that Mr. Bailey has been the General Manager of American Medical Response since 2007. His duties include personnel management, business development, public relations, government relations, pre-billing oversight, accounts payable, fleet maintenance, and risk management. Mr. Bailey is responsible for the daily operation of twenty-five ambulance units, forty vehicles, and two hundred paramedics, as well as American Medical Response's Maui helicopter operations. Mr. Bailey has over thirty years of experience in emergency medical response services.

Your Committee notes that Mr. Bailey has demonstrated significant dedication to public service, as evidenced by his service on the boards of the Keiki Injury Prevention Committee, the Honolulu Sub-Area Council, the Statewide Health Coordinating Council, Oahu EMS Council, Military Assistance to Safety & Traffic, Hawaii Kids at Work, Inc., and Governor's Injury Prevention Advisory Committee. Your Committee finds that Mr. Bailey has been appointed to the Statewide Health Coordinating Council based on his knowledge, professional experience, and commitment to public service.

#### CHRISTOPHER SIBLEY

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Christopher Sibley to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Mr. Sibley from the Department of Health.

Your Committee notes that Mr. Sibley received a Bachelor of Science degree from Louisiana State University, a Master of Science degree in Finance at Louisiana State University, and a Master's degree in Business Administration from the University of San Francisco. Mr. Sibley has served since 2002 as the Business Planning Manager for Hawaii Medical Service Association, where he is responsible for gaining accreditation of the company's management trainee program. His other accomplishments include planning and implementation of emergency room electronic medical records, leading a team of over two hundred people to develop and implement a core system to replace all systems across the entire company, and co-authoring the Beacon Community Cooperative Agreement, which received \$16,100,000 in funding for Hawaii County from the federal Office of the National Coordinator for Health Information Technology.

Your Committee notes that Mr. Sibley has demonstrated significant dedication to public service, as evidenced by his exemplary service as a member of the Lyon Arboretum Association and Rotary Club of Honolulu Sunrise, American Cancer Society Relay for Life, and chair of the Windward Oahu State Health Planning and Development Agency. Your Committee finds that Mr. Sibley has been reappointed to the Statewide Health Coordinating Council based on his knowledge, professional experience, and commitment to public service.

#### JAMES WALSH

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds James Walsh to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Mr. Walsh from the Department of Health.

Your Committee notes that Mr. Walsh has thirty-four years of experience in the health care industry. Mr. Walsh served as the Clinic Administrator of the Straub Clinic and Hospital from 1975 to 1997. Mr. Walsh was also responsible for setting up and managing neighborhood clinics across Oahu, Lanai, and Hawaii. From 1997 to 2009, Mr. Walsh served as the Vice President for Provider Services and Advocacy at Hawaii Medical Service Association.

Your Committee notes that Mr. Walsh has demonstrated significant dedication to public service, as evidenced by his exemplary service setting up neighborhood clinics throughout the State. He also chaired the State Health Plan Development Committee. Your Committee finds that Mr. Walsh has been appointed to the Statewide Health Coordinating Council based on his knowledge, professional experience, and commitment to public service.

#### JONAGUSTINE LIM

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jonagustine Lim to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Mr. Lim from the Department of Health, Building Industry Association of Hawaii, Ralph S. Inouye Company, Ltd., and three individuals.

Your Committee notes that Mr. Lim received a Bachelor of Science degree in Information and Computer Science and Master of Business Administration degree from the University of Hawaii. Mr. Lim has over ten years of consulting and project management experience for government, tourism, and no-profit industries. Mr. Lim also has over fourteen years of experience in web development and application integration. Additionally, Mr. Lim has over thirteen years of experience in systems, database, and network administration.

Your Committee notes that Mr. Lim has demonstrated significant dedication to public service, as evidenced by his exemplary service as Board President of the Alliance for Drama Education and appointee to the Health Planning Council Honolulu Subarea. He has also served as a mentor and conducted training workshops for the State of Hawaii and County of Hawaii. Your Committee finds that Mr. Lim has been appointed to the Statewide Health Coordinating Council based on his knowledge, professional experience, and commitment to public service.

#### REBECCA WARD

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rebecca Ward to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Ms. Ward from the Department of Health and the American Cancer Society.



Your Committee notes that Ms. Ward is the President and Research Director at Ward Research, Inc., a market research and polling company. Ms. Ward has over thirty years of experience performing market research and moderating focus groups in Hawaii. Ms. Ward has served as the Research Director for the firm's work on The Hawaii Poll since 1997. Ms. Ward was also a Research Instructor at the Hawaii Entrepreneurship Training and Development Institute from 1979 to 1981.

Your Committee notes that Ms. Ward has demonstrated significant dedication to public service, as evidenced by her exemplary service as a member of The Chamber of Commerce of Hawaii, Honolulu Rotary Club, American Association of Public Opinion Research, Girl Scout Council of Hawaii, Aloha Council of Boy Scouts, and Statewide Health Coordinating Council. Your Committee finds that Ms. Ward has been reappointed to the Statewide Health Coordinating Council based on her knowledge, professional experience, and commitment to public service.

#### WENDY MORRIARTY

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Wendy Morriarty to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Ms. Morriarty from the Department of Health, Public Utilities Commission, and three individuals.

Your Committee notes that Ms. Morriarty received an Associate of Science degree in Nursing from Samaritan Hospital School of Nursing, a Bachelor of Science degree in Human Biology from State University of New York at Albany, and a Master in Public Health degree in Health Care Management and Organizations from University of South Florida. Ms. Morriarty has over fifteen years of experience in the health care industry, including seven years as President of Ohana Health Plan, where she is responsible for, among other things, compliance with the State of Hawaii Contract for all Medicaid health plan operations and with the Centers for Medicare & Medicaid Services for all Medicare health plan operations.

Your Committee notes that Ms. Morriarty has demonstrated significant dedication to public service, as evidenced by her exemplary service in the health care field. Your Committee finds that Ms. Morriarty has been appointed to the Statewide Health Coordinating Council based on her knowledge, professional experience, and commitment to public service.

#### JOHN BARNETT

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds John Barnett to possess the requisite qualifications to be nominated to the Statewide Health Coordinating Council.

Your Committee received testimony in support of the nomination of Dr. Barnett from the Department of Health and one individual.

Your Committee notes that Dr. Barnett holds Bachelor of Arts, Master of Arts, and Doctor of Philosophy degrees. Dr. Barnett is the Principal for the Barnett Consulting Group, LLC, which offers guidance to businesses undergoing major transitions. Dr. Barnett works regularly with executives, managers, and senior leadership teams to help organizations and individuals achieve change through a positive, growth-oriented approach. Dr. Barnett also has international experience, having worked with organizations in Canada, Europe, Asia, and South America.

Your Committee notes that Dr. Barnett has demonstrated significant dedication to public service, as evidenced by his exemplary service as a board member of the Kona-Kohala Chamber of Commerce, a facilitator for health care transformation on Hawaii, and a member of the Advisory Group. Your Committee finds that Dr. Barnett has been reappointed to the Statewide Health Coordinating Council based on his knowledge, professional experience, and commitment to public 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.

For Gov. Msg. No. 561:

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

For Gov. Msg. Nos. 734, 739, 740, 741, 744, 770, and 771:

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

#### **SCRep. 1585 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 526, 527, 528, 529, 530, 531, and 792**

Recommending that the Senate advise and consent to the nominations of the following:

#### SMALL BUSINESS REGULATORY REVIEW BOARD

G.M. No. 526 ANTHONY BORGE, for a term to expire 6-30-2015;

G.M. No. 527 BARBARA BENNETT, for a term to expire 6-30-2014;

G.M. No. 528 CHU LAN SHUBERT-KWOCK, for a term to expire 6-30-2016;

G.M. No. 529 HOWARD LUM, for a term to expire 6-30-2014;

G.M. No. 530 KYOKO KIMURA, for a term to expire 6-30-2016;

G.M. No. 531 LESLIE MULLENS, for a term to expire 6-30-2015; and

G.M. No. 792 CRAIG TAKAMINE, for a term to expire 6-30-2016

ANTHONY BORGE

Your Committee received testimony in support of Anthony Borge from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; AMY Air Conditioning, Inc.; BKA Builders, Inc.; Building Industry Association of Hawaii; The Chamber of Commerce of Hawaii; Gentry Homes, Ltd.; Legislative Information Services of Hawaii; The Pacific Resource Partnership; Pacific Rim Partners; and four individuals. The Department of Business, Economic Development, and Tourism and the Review Board testified that Mr. Borge has been serving as an interim member of the Review Board since December of 2012.

Mr. Borge is the General Manager of RMA Sales Company. He has also worked as a manager at Paradise Beverages, Inc.; Anheuser-Busch Sales of Hawaii, Inc.; Coca-Cola Bottling Company of Hawaii; and L.J. Elkin, Inc.

Mr. Borge is a member of the Building Industry Association of Hawaii Board of Directors, Build-PAC Hawaii, Building Owner and Manager's Association of Hawaii, and American Institute of Architects. Mr. Borge has also previously volunteered with the Hawaii Food Industry Association, Honolulu Chamber of Commerce, Honolulu Board of REALTORS, Clean Hawaii Board of Governors, and the Governor's Advisory Committee on Litter Control.

BARBARA BENNETT

Your Committee received testimony in support of Barbara Bennett from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; and one individual. The Department of Business, Economic Development, and Tourism and the Review Board testified that Ms. Bennett has been serving as an interim member of the Review Board since December of 2012. The Review Board further testified that section 201M-5, Hawaii Revised Statutes, requires the Review Board to have one member from each County; that Ms. Bennett is a resident of Kauai; and that Ms. Bennett's nomination would fulfill the Review Board's Kauai County representation requirement.

Ms. Bennett is the owner and publisher of *For Kauai* magazine. Ms. Bennett previously worked for *This Week* Publication and Kauai People Weekly Community Newspaper.

Ms. Bennett is a member of the Kauai Chamber of Commerce and the Kauai Filipino Chamber of Commerce. She has also previously volunteered with the Hawaii Visitors and Convention Bureau, Kauai Visitors Bureau, U.S. Tennis Association - Adult Tennis League Kauai, Women in Business Roundtable, Kauai People News, Garden Island Range & Food Festival, and Kauai Agricultural Initiative. Ms. Bennett has been serving on the Review Board as an interim member since December 2012.

CHU LAN SHUBERT-KWOCK

Your Committee received testimony in support of Chu Lan Shubert-Kwock from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; and Legislative Information Services of Hawaii, Inc. The Department of Business, Economic Development, and Tourism and the Review Board testified that Mr. Lum has been serving as an interim member of the Review Board since December of 2012, and has previously served as a member of the Review Board.

Ms. Shubert-Kwock is the President and owner of CLSK, Inc., dba ABC Mortgage, and Chu Lan Properties.

She is the Founder and President of the Chinatown Business & Community Association and the Association of Peoples from South East Asia Nations, and is a board member of the Organization of Chinese Americans. Ms. Shubert-Kwock has previously served as a Honolulu Liquor Commissioner.

HOWARD LUM

Your Committee received testimony in support of Howard Lum from the Department of Business, Economic Development, and Tourism and Small Business Regulatory Review Board. The Department of Business, Economic Development, and Tourism and the Review Board testified that Mr. Lum has been serving as an interim member of the Review Board since December of 2012.

Mr. Lum is the owner and Chief Executive Officer of Aloha Gourmet Products, Inc. He also worked as the President and Chief Executive Officer of Maunakea Leis and Flowers, Inc.

Mr. Lum is a member of the Chinese Chamber of Commerce, Lum Sai Ho Tong, and Buck Toy Club. He has also previously served on the Kalaeloa Commission.

KYOKO KIMURA

Your Committee received testimony in support of Kyoko Kimura from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; and three individuals. The Department of Business, Economic Development, and Tourism and the Review Board testified that Ms. Kimura has been serving as an interim member of the Review Board since December of 2012.

Ms. Kimura is the Managing Director of Beach Club Consulting, LLC, dba Aqua Hotels and Resorts. She worked in a managerial capacity with Diamond Resort Hawaii Corporation for twenty years. Ms. Kimura has also served as an interpreter for former U.S. President George Bush, Sr., and former Costa Rican President, Dr. Oscar Arias.

Ms. Kimura is the Chairperson of the Japan Hawaii Tourism Council's Airlift Committee. She is also a member of the Hawaii Employers Council, Hawaii Hotel and Lodging Association, Pacific Cancer Society, and Japanese Cultural Center of Hawaii. Ms. Kimura has previously served as a board member and Strategic Planning Chairperson of the Hawaii Tourism Authority, and with numerous Hawaii civic organizations.

LESLIE MULLENS

Your Committee received testimony in support of Leslie Mullens from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; The Pacific Resource Partnership; and fourteen individuals. The Department of

Business, Economic Development, and Tourism and the Review Board testified that Ms. Mullens has been serving as an interim member of the Review Board since December of 2012.

Ms. Mullens is the founder and President of Playbook Consulting Group. She has also worked for Cisco Systems, Inc.; Wild Hawaii Learning Adventures, Inc.; Ninth House Learning Network; and Berkley Systems, Inc.

Ms. Mullens has volunteered with the Maui Native Hawaiian Chamber of Commerce, Maui Chamber of Commerce, Maui Young Business Roundtable, Professional & Technical Consultants Association, and Rotary Club of Kahului.

#### CRAIG TAKAMINE

Your Committee received testimony in support of Craig Takamine from the Department of Business, Economic Development, and Tourism; Small Business Regulatory Review Board; Mayor of the County of Hawaii; AMV Air Conditioning, Inc.; Building Industry Association of Hawaii; Japanese Chamber of Commerce & Industry of Hawaii; Kanoiehua Industrial Area Association; and eleven individuals. The Review Board testified that Mr. Takamine's nomination will satisfy the Review Board's statutory requirement that one member be a resident of Hawaii County.

Mr. Takamine is the owner and President of Takamine Construction, Inc., and the past owner and President of Takamine Construction, LLC. He has also worked for R. Kan Contracting, LLC, and G. Kobayashi Builders.

Mr. Takamine is a member of the Hawaii Island Contractors Association, Kanoiehua Industrial Area Association, Easter Seals Hawaii, Hawaii Island Chamber of Commerce, Japanese Chamber of Commerce and Industry of Hawaii, and Hawaii Community College Alumni Board.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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.

For Gov. Msg. Nos. 526, 527, 528, 529, 530, and 531:

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

For Gov. Msg. No. 792:

Ayes, 5. Noes, none. Excused, 2 (Baker, English).

#### **SCRep. 1586      Agriculture on Gov. Msg. No. 768**

Recommending that the Senate advise and consent to the nomination of the following:

#### BOARD OF DIRECTORS OF THE AGRIBUSINESS DEVELOPMENT CORPORATION

G.M. No. 768    SANDI KATO-KLUTKE, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sandi Kato-Klutke to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Board of Directors of the Agribusiness Development Corporation.

Your Committee received testimony in support of this nominee from the Agribusiness Development Corporation; Office of the Mayor for the County of Kauai; Hawaii Farm Bureau Federation; Kauai County Farm Bureau; Fujita and Miura Public Relations, Inc.; Hawaii Lodging and Tourism Association; Kauai Economic Development Board, Inc.; NoKaOi Landscape Services, LLC; Garden Island Growers; Hawaii Tropical Fruit Growers Kauai Chapter; Coconut Coast Property Services, Inc.; BASF Plant Science; Maui County Farm Bureau; The Chamber of Commerce of Hawaii; Kauai Chamber of Commerce; and fifteen individuals.

Ms. Kato-Klutke earned a degree in banking from Kapiolani Community College and completed several semesters of accounting from Chemeketa Community College in Salem, Oregon. Throughout her extensive career, she has held numerous positions in the hospitality industry and is currently the General Manager of the Aston Islander on the Beach resort and condominium association. Ms. Kato-Klutke serves on a number of community boards and committees, including the Board of the Hawaii Lodging and Tourism Association, Kauai Farm Bureau Commodities and Government Affairs Committee, Board of the Kauai Medical Clinic, Kauai Chamber of Commerce Government Affairs Committee, and Important Agricultural Lands Stakeholder and Technical Advisory Committee for the County of Kauai. Her vast experience in the visitor industry provides her with a unique perspective on agricultural tourism, which is assuming a larger role in agricultural sustainability. In addition, Ms. Kato-Klutke is passionate about preserving and improving the water systems in Hawaii and possesses exceptional communication and leadership skills that will be an asset to the Board of the Agribusiness Development Corporation.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

#### **SCRep. 1587      Agriculture on Gov. Msg. No. 777**

Recommending that the Senate advise and consent to the nomination of the following:

#### BOARD OF AGRICULTURE

G.M. No. 777    CLARK HASHIMOTO, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Clark Hashimoto to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Board of Agriculture.

Your Committee received testimony in support of this nominee from the Department of Agriculture, Hawaii Farm Bureau Federation, Hawaiian Commercial and Sugar Company, Maui County Farm Bureau, Kauai County Farm Bureau, and one individual.

Mr. Hashimoto earned a Bachelor's degree in Agriculture Business Management from the California State Polytechnic College at San Luis Obispo. He earned sixty post baccalaureate credits from Oregon State University and the University of Hawaii at Manoa. Currently, he is the manager of Hashimoto Persimmon Farm and also a member of the Board of Agriculture. In the past, he worked as an Agriculture Specialist for the County of Maui and a County Extension Agent at the University of Hawaii, assisting farmers in increasing their quality and quantity of production. He also served on the Board of Directors for the Maui Farm for nearly ten years and on the Board of Water Supply for five years. In addition to his strong commitment to agriculture and sustainability, Mr. Hashimoto's extensive experience in farming provides a valuable perspective to 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, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Dela Cruz).

**SCRep. 1588 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 620, 621, and 757**

Recommending that the Senate advise and consent to the nominations of the following:

STADIUM AUTHORITY

- G.M. No. 620 KEITH BUKOSKI, for a term to expire 6-30-2017;
- G.M. No. 621 CHARLES TOGUCHI, for a term to expire 6-30-2017; and
- G.M. No. 757 WILBERT CHEE, for a term to expire 6-30-2017

KEITH BUKOSKI

Your Committee received testimony in support of Keith Bukoski from the Department of Accounting and General Services; Stadium Authority; Plumbers and Fitters Union, Local 675; and fourteen individuals.

Mr. Bukoski is the Executive Director of the Hawaii Building and Construction Trades Council, AFL-CIO, and Principal of Hawaii Resource Management, Inc. He has worked at Mainstay Business Solutions; International Focus, LLC; Techform, LLC; Horizon Waste Services of Hawaii, dba Maui Disposal, Inc.; Roberts Hawaii, Inc.; American Hawaii Cruises; Meadow Gold Dairies; Matson Terminals, Inc.; Hyatt Regency Waikiki; and Hyatt Regency Waikoloa. Mr. Bukoski has also served as a member of the Hawaii State House of Representatives.

Mr. Bukoski was a member of the Charter School Review Panel and Maui County Board of Ethics, and volunteers with Big Brothers Big Sisters - Maui; Chozen Ji Zen Dojo; Hawaii Chamber of Commerce; Hawaiian Canoe Club; Ke Kumu Alakai Mentorship Program; Maui Chamber of Commerce; Maui Contractors Association; Maui Hotel Association; Maui United Way; Outrigger Canoe Club; Pacific Century Fellows; Rotary Club of Maui; and the Saint Louis School Policy Review Committee. Mr. Bukoski has also volunteered with the Kaneohe Christmas Lights; Kaneohe Christmas Parade; American Cancer Society; Hula Bowl Maui; Maui Music Festival; Maui County Fair; Clean Up Green Up Hawaii; NOAA Ocean Debris Clean Up Project; and the Pacific Island Athletic Alliance Letter of Intent Signing Day.

CHARLES TOGUCHI

Your Committee received testimony in support of Charles Toguchi from the Department of Accounting and General Services; Stadium Authority; Legislative Information Services of Hawaii, Inc.; Plumbers and Pipefitters Union, Local 675; and thirteen individuals.

Mr. Toguchi works as a governmental affairs consultant at the company he founded, Charles T. Toguchi & Associates. He has served as Chief of Staff of the Office of the Governor, State Superintendent of Education, Hawaii State Senator, and Hawaii State Representative. Mr. Toguchi has also worked for the Hawaii State Teachers Association, Pacific Concrete and Rock, and as an educator at Hawaii and mainland schools.

Mr. Toguchi is a member of the KEY Project, Kahaluu Lions Club, Kahaluu Methodist Church, and Vice-President and member of the Board of Directors of Challenger Center Hawaii. Mr. Toguchi has also volunteered with the Hawaii Public Schools Foundation, McDonald's Charities, Pacific Aerospace Museum, and the Aloha United Way.

WILBERT CHEE

Your Committee received testimony in support of Wilbert Chee from the Department of Accounting and General Services, Stadium Authority, and three individuals.

Mr. Chee is semi-retired and works part time as Vice-President of Marketing of the land planning and environmental service company he founded, Wil Chee-Planning, Inc., and as Vice-President of QWP, Inc. He has over 40 years of experience in the practice of land use planning, environmental sciences, architecture, and engineering, and these technical skills will enable Mr. Chee to make valuable contributions to the stadium authority.

Mr. Chee served on the Legislative Salary Commission and volunteers or has volunteered with the Cub Scouts, Boy Scouts, St. Clements Parents Association, and Mun Lun Chinese School.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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.

For Gov. Msg. Nos. 620 and 621:

Ayes, 4. Noes, none. Excused, 3 (Baker, Chun Oakland, Wakai).

For Gov. Msg. No. 757:

Ayes, 5. Noes, none. Excused, 2 (Baker, English).

**SCRep. 1589 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 716 and 717**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF DIRECTORS OF THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

G.M. No. 716 RALPH MESICK, for a term to expire 6-30-2016; and

G.M. No. 717 BETTY LOU LARSON, for a term to expire 6-30-2017

RALPH MESICK

Your Committee received testimony in support of Ralph Mesick from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Castle & Cooke Hawaii; and ten individuals. The Department of Business, Economic Development, and Tourism and Hawaii Housing Finance and Development Corporation testified that Mr. Mesick presently serves as the Chairperson of the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Mr. Mesick is a Senior Vice-President of Bank of Hawaii. He has experience in the areas of commercial lending, corporate banking, real estate finance, and risk management. Mr. Mesick has also worked as a finance director and project manager for real estate development and investment companies, and worked as a police officer with the Honolulu Police Department.

Mr. Mesick also currently serves as the Chairperson of the Hawaii Community Reinvestment Corporation and on the Executive Committee of the Urban Land Institute - Hawaii. In the past, Mr. Mesick has served as a board member of the Risk Management Association; Housing Hawaii; Educational Foundation, Inc.; Kakaako Community Reinvestment Corporation; Na Keiki Mauloa; and Star of the Sea Schools.

BETTY LOU LARSON

Your Committee received testimony in support of Betty Lou Larson from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and eight individuals. The Department of Business, Economic Development, and Tourism testified that Ms. Larson presently serves on the Board of Directors of the Hawaii Housing Finance and Development Corporation.

Ms. Larson works as a Legislative Liaison for Catholic Charities Hawaii and as a Community Housing Advocate. She has previously worked as the Housing Programs Director for Catholic Charities Hawaii.

Ms. Larson volunteers with Partners In Care, the Hawaii Catholic Conference, Catholic Charities Housing Development Corporation, and Catholic Charities Housing Development Committee. Ms. Larson has previously served on the Housing & Community Development Corporation of Hawaii Board; Rental Housing Trust Fund Advisory Commission; Hawaii Housing Development Corporation Board; Affordable Housing and Homeless Alliance Board; the City and County of Honolulu's Selection Committee for Community Development Block Grants; and Hawaii Pacific Gerontological Society.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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 (Baker, English).

**SCRep. 1590 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 718 and 758**

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. 718 H. BRIAN MOORE, for a term to expire 6-30-2015; and

G.M. No. 758 JEFFREY TORRES, for a term to expire 6-30-2017

H. BRIAN MOORE

Your Committee received testimony in support of H. Brian Moore from the Department of Business, Economic Development, and Tourism and the Hawaii Strategic Development Corporation. The Department of Business, Economic Development, and Tourism and Hawaii Strategic Development Corporation testified that Mr. Moore is presently serving a second term as Chairperson of the Board of

Directors of the Hawaii Strategic Development Corporation. The Hawaii Strategic Development Corporation also testified that Mr. Moore presently serves as the Corporation's board member on the Board of Directors of the Natural Energy Laboratory of Hawaii Authority.

Mr. Moore works as a Senior Vice President for Real Estate Investment at Pacific Guardian Life Insurance Company, Ltd. He has also worked at Hawaiian Life Insurance Company, Ltd. and First Hawaiian Bank, and served in the U.S. Army.

Mr. Moore is or has been affiliated in the past with the Mortgage Bankers Association of Hawaii, Urban Land Institute, Honolulu Board of REALTORS, Pacific Club, FLMI Society, Life Mortgage and Real Estate Office Council, Better Business Bureau, Aloha United Way, Junior Achievement, Oahu Country Club, Beretania Tennis Club, and the University of Notre Dame Alumni Club. He brings to the Board significant financial expertise and insurance industry relationships.

#### JEFFREY TORRES

Your Committee received testimony in support of Jeffrey Torres from the Department of Business, Economic Development, and Tourism; Hawaii Strategic Development Corporation; and three individuals.

Mr. Torres is the Director of Government and Regulatory Affairs of Ohana Health Plan, Inc. He has worked as an attorney providing corporate, compliance, and risk management counsel for numerous companies on the mainland and internationally.

Mr. Torres is a member of the Health Care Compliance Association, International Association of Privacy Professionals, Society of Ethics and Corporate Compliance, and the Hawaii Healthcare Transformation Initiative. He brings to the Board extensive experience in healthcare and compliance issues.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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 (Baker, English).

#### **SCRep. 1591 Economic Development, Government Operations and Housing on Gov. Msg. No. 759**

Recommending that the Senate advise and consent to the nomination of the following:

#### HAWAII COMMUNITY DEVELOPMENT AUTHORITY (KALAELOA DISTRICT)

G.M. No. 759 SHIRLEY SWINNEY, for a term to expire 6-30-2017

Your Committee received testimony in support of Shirley Swinney from the Department of Business, Economic Development, and Tourism and sixteen individuals. The Department of Business, Economic Development, and Tourism testified that Ms. Swinney has previously served for one year as a member of the Hawaii Community Development Authority.

Ms. Swinney is the President and Founder of the Kapolei Community Development Corporation, a non-profit organization that plans, designs, and implements initiatives by and for Kapolei homestead beneficiaries. She worked for the Hawaii State Judiciary for over thirty years as a Circuit Court and District Court Clerk, and at First Hawaiian Bank as a teller.

Ms. Swinney is a member of the Malama Learning Center, Special Olympics Hawaii, University of Hawaii West Oahu Ad Hoc Stakeholders Committee, Hoopili Task Force, and Malu'ohai Residents' Association. Ms. Swinney's past experience as a Kalaeloa member of the Hawaii Community Development Authority and her professional background will be a valuable resource to the Authority.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, English).

#### **SCRep. 1592 Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 164**

The purpose and intent of this measure is to acknowledge, support, and commend the Aegis Ballistic Missile Defense System and the Ground-Based Midcourse Defense System.

Your Committee received testimony in support of this measure from The Chamber of Commerce of Hawaii, BAE Systems, and one individual.

Your Committee finds that it is imperative that the United States complete testing the Aegis Ballistic Missile Defense System that is currently being developed on Kauai, especially in consideration of North Korea's recent successful launch of a ballistic missile capable of reaching Hawaii and the U.S. Mainland. Your Committee further finds that these defense systems are critical to Hawaii because the State serves as the home base for U.S. military operations in the Pacific region.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 164, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1593 Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 218**

The purpose and intent of this measure is to recognize and honor the ultimate sacrifice on the battlefield made by Hawaii born member of the United States military, First Lieutenant John Kuulei Kauhahao, by urging the United States Congress to award him the Congressional Medal of Honor for his acts of valor during the Vietnam War.

Your Committee received testimony in support of this measure from the Office of the Governor, State of Hawaii Department of Defense, Office of Veterans Services, and three individuals.

Your Committee finds that First Lieutenant John Kuulei Kauhahao excelled as a Hawaii National Guardsman and became a platoon leader during the Vietnam War. Your Committee further finds that when engagement was necessary, Lieutenant Kauhahao drew enemy fire upon himself so that his men could be in a better position to locate and fire on the enemies. This measure recognizes Lieutenant Kauhahao's multiple, extraordinary acts of bravery that reveal a soldier dedicated to his country and comrades, who went above and beyond to exemplify the ideals of the U.S. military.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 218, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1594 Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 60**

The purpose and intent of this measure is to request the State Department of Defense to establish a veteran women services coordinator position within the Office of Veterans Services.

Your Committee received testimony in support of this measure from the Office of Veterans Services, Hawaii Women's Military Veterans Task Force, and four individuals. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that Hawaii has approximately 11,744 women veterans. Your Committee further finds that women in the military face multiple, inter-related, and complex problems, which include a high rate of military sexual trauma, inadequate health care after reentry into the civilian life, high rates of post-traumatic stress syndrome, homelessness, and unemployment. This measure will provide support for the establishment of a veteran women services coordinator position, which will assist the Office of Veterans Services to identify and address specific needs of women veterans.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 60, H.D. 1, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1595 (Joint) Transportation and International Affairs and Energy and Environment on H.C.R. No. 143**

The purpose and intent of this measure is to request the President of the United States and the United States Congress to exempt certain coral species in all commercial harbors in the State of Hawaii from reclassification under a proposed federal rule change.

Your Committees received testimony in support of this measure from the Department of Transportation, Matson Navigation Company, Young Brothers, Horizon Lines, and Ocean Tourism Coalition. Your Committees received testimony in opposition to this measure from the Department of Land and Natural Resources, Conservation Council for Hawaii, Center for Biological Diversity, and five individuals. Your Committees received comments on this measure from one individual.

Your Committees find that Hawaii is critically dependent upon ocean transportation and commerce that occurs through the State's commercial harbors. The proposed rule for reclassification of coral species includes two species, *Montipora patula* and *Montipora flabellate*, which are the fourth and fifth most abundant coral in the waters surrounding Hawaii. This measure seeks to have these two flourishing coral species within all harbors in the State of Hawaii exempted from reclassification under the proposed rule to ensure that there are no significant impacts to harbor operations.

Your Committees have amended this measure on the recommendation of the Department of Land and Natural Resources by:

- (1) Addressing the request to the National Oceanic and Atmospheric Administration (NOAA), instead of the President of the United States and the United States Congress, since NOAA makes the rules pertaining to this measure;
- (2) Clarifying that the requested rule change is to apply to all state waters, particularly commercial harbors;
- (3) Changing the title accordingly to read:

“REQUESTING THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION TO EXEMPT CERTAIN CORAL SPECIES IN ALL STATE WATERS, PARTICULARLY COMMERCIAL HARBORS, FROM RECLASSIFICATION UNDER A PROPOSED FEDERAL RULE CHANGE”; 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 concur with the intent and purpose of H.C.R. No. 143, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 143, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Transportation and International Affairs  
Ayes, 8. Noes, none. Excused, 1 (Keith-Agaran).

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ihara).

**SCRep. 1596 (Joint) Economic Development, Government Operations and Housing and Ways and Means on H.C.R. No. 47**

The purpose and intent of this measure is to extend the government contracting task force to June 30, 2013, so that it may finalize and submit its 2012 interim report to the Legislature, to include the following:

- (1) A report on the government contracting task force's study of state contracting processes;
- (2) Recommendations to standardize and simplify the state contracting process between private parties and certain state agencies; and
- (3) An evaluation of the "dashboard" demonstration project involving certain state agencies.

Your Committees received testimony in support of this measure from the Hawaii Alliance of Nonprofit Organizations.

Your Committees find that the government contracting task force has been meeting since the summer of 2011 and has made considerable progress. Due to the complexity of the issues it was created to address, however, the government contracting task force needs more time to resolve the issues to the satisfaction of all parties involved. Your Committees further find that with an extension, the government contracting task force plans to concentrate on higher systemic issues including contracting and payment processes; communication; technology; accountability; transparency; and education and training.

Your Committees have amended this measure by:

- (1) Further extending the government contracting task force until December 31, 2013;
- (2) Extending the deadline for submission of the government contracting task force's final report to the Legislature to December 31, 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 Economic Development, Government Operations and Housing and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 47, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 47, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Economic Development, Government Operations and Housing  
Ayes, 6. Noes, none. Excused, 1 (Wakai).

Ways and Means  
Ayes, 10. Noes, none. Excused, 3 (Keith-Agaran, Kouchi, Tokuda).

**SCRep. 1597 Ways and Means on H.C.R. No. 46**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a term, nonexclusive easement covering a portion of state submerged lands for seawall and revetment purposes.

Your Committee finds that, on January 13, 2012, under agenda item D-17, the Board of Land and Natural Resources approved the subject property owners' request for an easement to resolve the encroachment of the property's seawall and revetment into state submerged lands. Your Committee further finds that this measure satisfies section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 46, S.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Tokuda, Slom).

**SCRep. 1598 Ways and Means on H.C.R. No. 37**

The purpose and intent of this measure is to authorize the Board of Land and Natural Resources to issue a perpetual, nonexclusive easement covering a portion of state submerged lands fronting the property identified as tax map key (1) 3-1-038: seaward of 042, Kapahulu, Honolulu, Oahu.

Your Committee finds that, on July 13, 2012, under agenda item D-10, the Board of Land and Natural Resources approved the issuance of a perpetual, nonexclusive easement to resolve the encroachment of the subject property's seawall and steps into state submerged lands. Your Committee further finds that this measure satisfies section 171-53, Hawaii Revised Statutes, which requires legislative approval by concurrent resolution prior to the leasing of state submerged lands.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 37, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Tokuda, Slom).



**SCRep. 1599 Commerce and Consumer Protection on H.C.R. No. 201**

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the Hawaii Psychological Association to develop draft legislation establishing, implementing, and monitoring continuing education requirements for all licensed psychologists in Hawaii.

Your Committee received testimony in support of this measure from the Board of Psychology; Hawai'i Psychological Association; National Association of Social Workers, Hawai'i Chapter; and three individuals. Your Committee received comments on this measure from one individual.

Your Committee finds that the field of psychology is constantly transforming and developing. In an age of ever-growing accountability, psychologists have an obligation to consumers and fellow psychologists to be current with the knowledge in their field and any applicable specialties.

Your Committee further finds that Hawaii is one of only six states that do not require continuing education requirements for psychologists. Mandating continuing education for licensed psychologists is an essential way to promote client and patient safety and support the valuable role psychologists play in the health care system, by requiring licensed psychologists to keep abreast of new knowledge, skills, and relevant 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 concurs with the intent and purpose of H.C.R. No. 201, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Wakai).

**SCRep. 1600 (Joint) Education and Ways and Means on H.C.R. No. 119**

The purpose and intent of this measure is to request the Executive Office on Early Learning, in consultation with the Department of Budget and Finance, to conduct a study on the feasibility of using social impact bonds to fund early learning programs and services in the State.

Your Committees received testimony in support of this measure from the Executive Office on Early Learning, Hawaii Association of Independent Schools, and Good Beginnings Alliance. Your Committees received comments on this measure from the Legislative Reference Bureau.

Your Committees find that social impact bonds connect private investors with government entities to fund social programs and services with no initial outlay of taxpayer funds. Your Committees further find that the use of social impact bonds has been successful in New York City and that social impact bonds are currently being used to fund programs aimed at reducing youth recidivism rates.

Your Committees believe that further study is needed to determine whether social impact bonds are a feasible method of funding early learning programs and services in the State.

Your Committees have amended this measure by:

- (1) Requesting the Department of Budget and Finance, rather than the Executive Office on Early Learning, to conduct a study on the feasibility of using social impact bonds to fund early learning programs and services in the State;
- (2) Requesting the Department of Budget and Finance to consult with the Executive Office on Early Learning, Department of Human Services, and Department of Education when considering various issues, including the feasibility of establishing a social bond pilot program, and when submitting a report to the Legislature;
- (3) Amending the title of this measure to read: "REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO CONDUCT A STUDY ON THE FEASIBILITY OF USING SOCIAL IMPACT BONDS TO FUND EARLY LEARNING PROGRAMS AND SERVICES IN THE STATE"; 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 Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 119, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 119, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education

Ayes, 4; Ayes with Reservations (Slom). Noes, none. Excused, 1 (Shimabukuro).

Ways and Means

Ayes, 10; Ayes with Reservations (Slom). Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1601 (Joint) Education and Ways and Means on H.C.R. No. 92**

The purpose and intent of this measure is to request the Department of Education to expand the Mandarin Chinese language curriculum in public high schools.

Your Committees received testimony in opposition to this measure from the Department of Education.

Your Committees find that the Department of Education's Mandarin Chinese language curriculum is not available at every public high school and that the decision as to whether Mandarin Chinese language courses are offered is made at the school level.

While your Committees understand the concerns of the Department of Education in expanding the Mandarin Chinese language curriculum by the 2015-2016 school year, as requested, your Committees believe that students statewide should have access to Mandarin Chinese language classes.

Your Committees have amended this measure by:

- (1) Removing the request that the Department of Education expand the Mandarin Chinese language curriculum by the 2015-2016 academic school year and clarifying that the Department is requested to make the Mandarin Chinese language curriculum available statewide;
- (2) Requesting that the Department of Education work with state post-secondary institutions, rather than just the University of Hawaii and the Confucius Institute of the University of Hawaii at Manoa, to expand Mandarin Chinese language offerings; 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 Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 92, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 92, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Education

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

Ways and Means

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1602 (Joint) Public Safety, Intergovernmental and Military Affairs and Ways and Means on H.C.R. No. 130**

The purpose and intent of this measure is to urge Congress to support the construction of a War in the Pacific Memorial at the Pearl Harbor Visitor Center to honor those who fought the battles of World War II in the Pacific, with a special tribute to those who sacrificed their lives in the conflicts.

Your Committees received testimony in support of this measure from the Honolulu Navy League and one individual.

Your Committees find that a War in the Pacific Memorial would recognize and honor individuals who fought in World War II battles across the Pacific, including the more than 100,000 soldiers who sacrificed their lives in the conflicts. Your Committees further find that a War in the Pacific Memorial at the Pearl Harbor Visitor Center will help educate the public about the battles in the Pacific during World War II.

Your Committees have amended this measure by:

- (1) Making technical, nonsubstantive amendments to the 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 Public Safety, Intergovernmental and Military Affairs and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 130, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 130, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs

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

Ways and Means

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, English, Keith-Agaran, Kouchi).

**SCRep. 1603 (Joint) Higher Education and Ways and Means on H.C.R. No. 48**

The purpose and intent of this measure is to request the University of Hawaii at Hilo to establish a task force to examine the feasibility of forming a University of Hawaii at Hilo men's volleyball team.

Your Committees received testimony in support of this measure from the University of Hawaii at Hilo and four individuals.

Your Committees find that while there are six men's and seven women's athletic teams representing the University of Hawaii at Hilo at the National Collegiate Athletic Association Division II level, the University of Hawaii at Hilo is not represented by a men's volleyball team. Your Committees believe that it is worthwhile to explore the feasibility of forming a men's volleyball team at the University of Hawaii at Hilo.

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 Higher Education and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 48, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 48, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Higher Education

Ayes, 6. Noes, none. Excused, 1 (Keith-Agaran).

Ways and Means

Ayes, 9. Noes, none. Excused, 4 (Chun Oakland, English, Keith-Agaran, Kouchi).

**SCRep. 1604 (Joint/Majority) Commerce and Consumer Protection and Ways and Means on H.C.R. No. 161**

The purpose and intent of this measure is to request the State Auditor to convene a working group to determine the scope and specific duties of the health educator profession.

Your Committees received testimony in support of this measure from the Society for Public Health Education; National Commission for Health Education Credentialing, Inc.; Coalition of National Health Education Organizations; and one individual. Your Committees received testimony in opposition to this measure from one individual.

Your Committees find that health educators enhance people's quality of life and work to improve the health status of individuals, communities, states, and the nation through primary, secondary, and tertiary prevention. According to the United States Department of Labor, the growth rate for health educators is projected to expand much faster than the national average for other occupations. Your Committees further find that it is important to address the role of health educators in Hawaii and ensure Hawaii consumers are adequately protected.

This measure requests the Auditor to convene a working group to determine the scope and specific duties of the health educator profession. However, your Committees find that it would be more appropriate to request the Chairs of the House Committee on Consumer Protection and Commerce, Senate Committee on Commerce and Consumer Protection, and House and Senate Committees on Education to convene this working group. The determination about the scope and specific duties of the health educator profession can then be used as the basis for appropriate legislation relating to a sunrise review on the licensing and regulation of health educators.

Accordingly, your Committees have amended this measure by:

- (1) Requesting the Chairs of the House Committee on Consumer Protection and Commerce, Senate Committee on Commerce and Consumer Protection, and House and Senate Committees on Education, rather than the State Auditor, to convene a working group to determine the scope and specific duties of the health educator profession;
- (2) Specifying that the determination by the working group regarding the scope and specific duties of the health educator profession is intended to be used as the basis for appropriate legislation relating to a sunrise review on the licensing and regulation of health educators;
- (3) Amending the composition of the working group;
- (4) Specifying that members of the working group shall not be considered state employees based solely upon their participation in the working group;
- (5) Clarifying the findings to reflect the amended purpose of this measure;
- (6) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency; and
- (7) Amending the title for accuracy.

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 concur with the intent and purpose of H.C.R. No. 161, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 161, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Commerce and Consumer Protection

Ayes, 4. Noes, 1 (Slom). Excused, 2 (Solomon, Taniguchi).

Ways and Means

Ayes, 7. Noes, 1 (Slom). Excused, 5 (Chun Oakland, English, Kahele, Keith-Agaran, Kouchi).

**SCRep. 1605 (Joint) Energy and Environment and Ways and Means on H.C.R. No. 99**

The purpose and intent of this measure is to request the convening of a Legislative Task Force on Energy Security.

Your Committees received testimony in support of this measure from Aluvion Energies LLC, Hawaii State AFL-CIO, and United Steelworkers Union Local 12-591. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism.

Your Committees find that in January the Tesoro Corporation announced plans to shut down its oil refinery in Kapolei, Hawaii, which will result in two hundred layoffs at the facility and is likely to impact more than two thousand jobs in the region. In response, the Governor issued Executive Order 13-01, which established the Hawaii Refinery Task Force to examine the impact of the closure of the Tesoro refinery. Your Committees find, however, that the task force was not directed to examine alternative efforts to encourage the continued use or alternative use of the Tesoro refinery.

Your Committees have amended this measure by:

- (1) Deleting the language requesting the Legislature to convene a Legislative Task Force on Energy Security and all language related to that task force;
- (2) Adding language to urge the Governor to add a representative of the United Steelworkers Local 12-591 as a member of the existing Hawaii Refinery Task Force and to request the Hawaii Refinery Task Force to examine:

- (A) Legislative, administrative, and regulatory concerns that refiners may have in deciding whether to enter the refining industry in Hawaii and recommend strategies on addressing those concerns;
- (B) The feasibility of continued use of Tesoro's refinery; and
- (C) Potential alternative, green energy uses of the refinery assets, including conversion to green diesel fuel production;
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency; and
- (4) Changing the title to appropriately reflect its contents.

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 concur with the intent and purpose of H.C.R. No. 99, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 99, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 4. Noes, none. Excused, 1 (Chun Oakland).

Ways and Means

Ayes, 8. Noes, none. Excused, 5 (Chun Oakland, Dela Cruz, English, Keith-Agaran, Kouchi).

**SCRep. 1606 (Joint) Economic Development, Government Operations and Housing and Transportation and International Affairs on H.C.R. No. 204**

The purpose and intent of this measure is to explore ways to reduce the time and expense of shipping goods from certain neighbor islands to Oahu by requesting the Director of Business, Economic Development, and Tourism to form a working group consisting of public and private stakeholders to study the issue and report its findings, recommendations, and any proposed legislation to the Legislature no later than twenty days prior to the convening of the 2014 Regular Session.

Your Committees received testimony in support of this measure from seven individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Public Utilities Commission; and Young Brothers, Ltd.

The Public Utilities Commission testified that, while it was willing to make itself available to the working group as an information resource, it would be inappropriate for the Commission to participate as a member of the working group due to possible questions of impartiality or bias on its part. The Commission therefore requested that it be removed as a member of the working group.

Your Committees are concerned that the cost of goods in remote locations of the State may be significantly higher than in more populous regions because of increased shipping costs and transit times. Your Committees find it appropriate and necessary to establish a working group involving public and private stakeholders to explore ways to address this issue. Your Committees are concerned, however, about potential questions of impartiality or bias on the part of the Public Utilities Commission that may arise if it is included as a member of the working group.

Therefore, your Committees have amended this measure by:

- (1) Removing the Public Utilities Commission from the working group membership; 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, Government Operations and Housing and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 204, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 204, H.D. 1, S.D. 1.

Signed by the Chair and Majority Leader on behalf of the Committees.

Economic Development, Government Operations and Housing

Ayes, 4. Noes, none. Excused, 3 (Chun Oakland, English, Thielen).

Transportation and International Affairs

Ayes, 6. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1607 (Joint) Tourism and Hawaiian Affairs and Public Safety, Intergovernmental and Military Affairs and Judiciary and Labor on H.C.R. No. 6**

The purpose and intent of this measure is to:

- (1) Commemorate the twentieth anniversary of the Apology Resolution, Public Law 103-150;
- (2) Recognize the progress that has been made toward reconciliation and Native Hawaiian self-governance and self-determination;
- (3) Reaffirm the State's commitment to reconciliation with the Native Hawaiian people for historical injustices;
- (4) Urge the federal government to advance reconciliation efforts with Native Hawaiians; and
- (5) Express the Legislature's support of efforts to further the self-determination and sovereignty of Native Hawaiians.

Your Committees received testimony in support of this measure from the Office of Hawaiian Affairs, Office of the Attorney General, Hawaiian Affairs Caucus of Democratic Party of Hawaii, Papa Ola Lokahi, Association of Hawaiian Civic Clubs, and twenty-one individuals. Your Committees received testimony in opposition to this measure from Na Koa Ikaika and two individuals.

This measure marks the twentieth anniversary of the historic Apology Resolution, Public Law 103-150, issued by Congress in 1993. In the Apology Resolution, Congress officially recognized the injustices suffered by Native Hawaiians permitted by the United States and committed itself to reconciliation efforts with Native Hawaiians. Since the Apology Resolution, Hawaii has taken significant steps to support these reconciliation efforts. This measure recognizes and celebrates these efforts and urges the state and federal government to reflect on the events that led to the Apology Resolution and to continue efforts to advance Native Hawaiian self-determination and sovereignty.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, accuracy, and consistency.

As affirmed by the records of votes of the members of your Committees on Tourism and Hawaiian Affairs, Public Safety, Intergovernmental and Military Affairs, and Judiciary and Labor that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 6, H.D. 1, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 6, H.D. 1, S.D. 1.

Signed by the Chairs on behalf of the Committees.

Tourism and Hawaiian Affairs

Ayes, 6. Noes, none. Excused, 2 (Keith-Agaran, Slom).

Public Safety, Intergovernmental and Military Affairs

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

Judiciary and Labor

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

**SCRep. 1608 Water and Land on H.C.R. No. 120**

The purpose and intent of this measure is to request the Department of Land and Natural Resources to conduct a study of the state small boat harbor facility commercial permits for vessels engaged in ocean-use activities in ocean waters between Kalaeloa Point and Kaena Point that were in existence at the time of the moratorium in 2005, the uses for such permits, and the revenue generated and the current commercial vessel permits, the uses for such permits, and the revenue generated.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Act 6, Special Session Laws of Hawaii 2005 (Act 6), placed a moratorium on the issuance of new state small boat harbor facility commercial permits for vessels engaged in ocean-use activities in ocean waters between Kalaeloa Point and Kaena Point. Your Committee finds that commercial ocean recreation activities between Kalaeloa Point and Kaena Point have continued to increase since 2005, despite the moratorium.

Your Committee has amended this measure by additionally requesting that the Department of Land and Natural Resources consult with the Waianae coast community regarding the existing and future ocean-use activities.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 120, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 120, S.D. 1.

Signed by the Majority Leader on behalf of the Committee.

Ayes, 4. Noes, none. Excused, 3 (Dela Cruz, Ihara, Thielen).

**SCRep. 1609 Health on H.C.R. No. 33**

The purpose and intent of this measure is to request the Legislature to participate in "Light the State Capitol Blue" during a portion of the 2013 Regular Session.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Hawaii Prostate Cancer Coalition, and two individuals.

Your Committee finds that prostate cancer is the second most common cause of male cancer-related death in the United States. Increasing public awareness of prostate cancer is essential to prostate cancer prevention and early treatment because such awareness encourages men and families to learn about prostate cancer screening, diagnosis, and treatment options.

Your Committee has amended this measure by:

- (1) Specifying that the Department of Accounting and General Services is requested to participate in the "Light the State Capitol Blue" in April and September of 2013 and 2014;
- (2) Specifying that the Comptroller is requested to permit a banner encouraging men to speak to their physicians about prostate cancer on state capitol grounds in April and September of 2013 and 2014;
- (3) Amending the title accordingly; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 33, S.D. 1.

Signed by the Majority Leader on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Chun Oakland, Slom).

**SCRep. 1610 (Joint) Energy and Environment and Public Safety, Intergovernmental and Military Affairs and Water and Land on H.C.R. No. 96**

The purpose and intent of this measure is to request the United States Department of the Interior Fish and Wildlife Service to work with affected persons and counties in establishing critical habitat designations for endangered species in the State.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Hawaii Housing Finance and Development Corporation; Hawaii Cattlemen's Association; Kauai Cattlemen's Association; Building Industry Association-Hawaii; 4Ag Hawaii; Barbed S. Ranch; Palani Ranch, Kukaiau Ranch; McCandless Ranch; Hawaii Aquaculture and Aquaponics Association; PonoHolo Ranch Ltd.; Mikilua Poultry Farm, Inc.; Ka'ala Ranch; Ulupalakua Ranch; Alexander & Baldwin; Maui Cattle Company; and eleven individuals. Your Committees received testimony in opposition to this measure from Conservation Council for Hawaii and two individuals. Your Committees received comments on this measure from the Department of Accounting and General Services.

Your Committees find that the United States Department of the Interior Fish and Wildlife Service has recently proposed to designate 271,062 acres in Maui County as critical habitat for endangered species, which is more than twice the existing amount of critical habitat currently designated on the islands of Maui, Molokai, Lanai, and Kahoolawe. Your Committees further find that the proposed critical habitat designation has the potential to adversely impact landowners and hurt the relationship between the county and the federal government. Your Committees note that many of the ranchers and farmers who will be impacted by the proposed critical habitat designation have not been adequately notified or involved in the designation process. As such, your Committees request the United States Department of the Interior Fish and Wildlife Service to work with the affected persons and counties in establishing critical habitat designations by holding hearings on Maui regarding the proposed critical habitat designations to give all interested stakeholders an opportunity to participate in the process.

Your Committees have amended this measure by:

- (1) Inserting the word "reasonable" into the title of the measure to request the United States Department of the Interior Fish and Wildlife Service to establish "reasonable" critical habitat designations;
- (2) Clarifying that any conservation actions in this state should be implemented so as to not unreasonably impede local food production;
- (3) Deleting the language requesting the Department of the Interior Fish and Wildlife Service to perform an environmental assessment of its proposed Critical Habitat Designation and environmental impact statement, if necessary; and
- (4) Inserting language to request the United States Department of the Interior Fish and Wildlife Service to conduct hearings in the affected counties before making Critical Habitat Designations to give all interested stakeholders an opportunity to participate in the process.

As affirmed by the records of votes of the members of your Committees on Energy and Environment, Public Safety, Intergovernmental and Military Affairs, and Water and Land that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 96, H.D. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 96, H.D. 2, S.D. 1.

Signed by the Chairs and Majority Leader on behalf of the Committees.

Energy and Environment  
Ayes, 4. Noes, none. Excused, 1 (Ruderman).

Public Safety, Intergovernmental and Military Affairs  
Ayes, 5. Noes, none. Excused, none.

Water and Land  
Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Ruderman).

**SCRep. 1611 (Joint) Energy and Environment and Health on H.C.R. No. 129**

The purpose and intent of this measure is to request the Director of Health to develop partnerships to address the data gap on air, surface water, and near shore effects of atrazine.

Your Committees received testimony in support of this measure from the Department of Health and three individuals. Your Committees received testimony in opposition to this measure from the Hawaii Farm Bureau and Syngenta Hawaii. Your Committees received comments on this measure from the Department of Agriculture.

Your Committees find that the toxicity of atrazine is well documented and has been shown to have adverse endocrine effects in humans, mammals, and amphibians. Your Committees further find that tests performed by the Department of Health indicate that drinking water in Hawaii, particularly in the County of Hawaii, is contaminated with measurable levels of atrazine. This measure is necessary to urge the Department of Health to take action to protect the public safety and ascertain all impact information regarding the effects of atrazine.

Your Committees have amended this measure by:

- (1) Deleting the paragraph stating that the Department of Agriculture does not test for atrazine, due to the inaccuracy of this statement; 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 Health that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 129, H.D. 2, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 129, H.D. 2, S.D. 1.

Signed by the Chair and Majority Leader on behalf of the Committees.

Energy and Environment

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

Health

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

**SCRep. 1612 (Majority) Public Safety, Intergovernmental and Military Affairs on H.C.R. No. 10**

The purpose and intent of this measure is to request the United States Congress to propose a Constitutional amendment to overturn the United States Supreme Court holding relating to corporate independent expenditures in *Citizens United v. Federal Election Commission (Citizens United)*.

Your Committee received testimony in support of this measure from one individual.

Your Committee finds that the Supreme Court held in *Citizens United* that the First Amendment prohibits the government from suppressing political speech in the form of corporate independent expenditures, based on the speaker's corporate identity. Your Committee further finds that there is a clear distinction between human and corporate political speech relating to the election of public officials and campaign spending. This measure encourages Congress to propose a Constitutional amendment to prohibit corporations from using corporate treasury funds for political independent expenditures.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 10, H.D. 1, as amended herein, and recommends that it be referred to the Committee on Judiciary and Labor, in the form attached hereto as H.C.R. No. 10, H.D. 1, S.D. 1.

Signed by the Chair on behalf of the Committee.

Ayes, 3. Noes, 1 (Slom). Excused, 1 (Green).

**SCRep. 1613 (Joint) Energy and Environment and Transportation and International Affairs on H.C.R. No. 239**

The purpose and intent of this measure is to urge the Governor to explore opportunities for foreign direct investments from the Republic of Korea for the deployment of proven renewable energy technologies such as waste-to-energy systems developed by Korean companies.

Your Committees received testimony in support of this measure from HGE Hawaii LLC, Larta Institute-Asia Pacific, and three individuals.

Your Committees find that Hawaii has some of the highest electricity rates in the nation. The State also lacks new landfill space and is almost at capacity to absorb the waste produced by its 1,400,000 residents and the estimated 8,500,000 tourists who are projected to visit the State in 2013. Your Committees further find that the Republic of Korea has demonstrated leadership in environmental stewardship and sustainable waste management in the adoption of waste-to-energy conversion technologies. Your Committees also note that there is a tremendous opportunity for the State to capitalize on the close relationship between the United States and Republic of Korea by seeking to partner with Korean companies in the renewable energy and waste-to-energy fields.

As affirmed by the records of votes of the members of your Committees on Energy and Environment and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 239, and recommend that it be referred to the Committee on Ways and Means.

Signed by the Chairs on behalf of the Committees.

Energy and Environment

Ayes, 4; Ayes with Reservations (Ruderman). Noes, none. Excused, 1 (Ihara).

Transportation and International Affairs

Ayes, 8; Ayes with Reservations (Kouchi, Solomon). Noes, none. Excused, 1 (Keith-Agaran).

**SCRep. 1614 Technology and the Arts on H.C.R. No. 116**

The purpose and intent of this measure is to encourage the Hawaii State Foundation on Culture and the Arts to utilize the Art in Public Places Program to include more art programs for Hawaii's youth.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts and eight individuals.

Your Committee finds that the Art in Public Places Program was established in part to cultivate the public appreciation of visual arts and contribute toward the development of an artistic community. Your Committee further finds that art programs for children will help

accomplish the missions of the Art in Public Places Program. This measure will afford Hawaii's children more opportunities to express their artistic talent and creativity.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 116, 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 (Gabbard, Slom).

**SCRep. 1615 Technology and the Arts on H.C.R. No. 163**

The purpose and intent of this measure is to request the Hawaii State Foundation on Culture and the Arts to establish a two-year pilot program for the creation of urban art on state-owned property.

Your Committee received testimony in support of this measure from the State Foundation on Culture and the Arts, Department of Transportation, and two individuals. Your Committee received comments on this measure from the Historic Hawaii Foundation.

Your Committee finds that graffiti is a pervasive problem in many communities throughout Hawaii and can be a visual blight in neighborhoods and lower property values. Your Committee further finds that urban art, which includes graffiti and tagging, can be 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 permits the establishment of authorized outlets for urban art in order to enable appropriate creative social expression while mitigating unauthorized acts of graffiti.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 163, and recommends that it be referred to the Committee on Ways and Means.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1616 Health on Gov. Msg. No. 743**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 743 MARTHA TURNER, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Martha Turner to possess the requisite qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

Your Committee received testimony in support of the nomination of Ms. Turner from the Department of Health.

Your Committee notes that Ms. Turner has approximately forty years of experience in nursing, home health services, and nursing services management. Since 2009, Ms. Turner has served as the Manager of the Kaiser Permanente Wailuku Clinic and as the Manager of Nursing Services for the Wailuku and Maui Lani Clinics. Her duties include overseeing the operations of the medical clinic and ambulatory surgery center, including staffing oversight of forty-five physicians and seventy-nine nursing staff at the Wailuku Clinic and fifty-five nursing staff at the Maui Lani Clinic.

Your Committee notes that Ms. Turner has demonstrated significant dedication to public service, as evidenced by her exemplary service as a Registered Nurse and Manager of Nursing Services for approximately forty years. Additionally, Ms. Turner established a Home Health Agency for Kaiser Permanente on Maui. Your Committee finds that Ms. Turner has been appointed to the Health Planning Council, Tri-Isle Subarea, based on her knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1617 Health on Gov. Msg. No. 791**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST O'AHU SUBAREA

G.M. No. 791 MARALYN KURSHALS, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Maralyn Kurshals to possess the requisite qualifications to be nominated to the Health Planning Council, West Oahu Subarea.

Your Committee received testimony in support of the nomination of Ms. Kurshals from the Department of Health, Waianae Coast Comprehensive Health Center, and two individuals.

Your Committee notes that Ms. Kurshals has over twenty years of experience working with children and youths with disabilities, homeless populations, and the Native Hawaiian community. Since 2007, Ms. Kurshals has worked for the Department of Health, Children and Adolescent Mental Health Division. Her duties include assisting families, social service providers, and mental health



professionals with mental health care intake and processing. Ms. Kurshals' other duties include assisting and providing mental health resources for approximately two hundred clients in predominantly low-income communities of Asian Pacific Islanders.

Your Committee notes that Ms. Kurshals has demonstrated significant dedication to public service, as evidenced by her exemplary service as President and board member for the Waianae Neighborhood Board and as a member and Chair of the Policy Committee of the Waianae Coast Comprehensive Health Center Board of Directors. Additionally, Ms. Kurshals is a member of Kapolei Toastmasters, Waianae Hawaiian Civic Club, Read Aloud, Na Keiki O KA Mo'i Canoe Club, and Women of Waianae. Your Committee finds that Ms. Kurshals has been appointed to the Health Planning Council, West Oahu Subarea, based on her knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1618 Health on Gov. Msg. No. 737**

Recommending that the Senate advise and consent to the nomination of the following:

TOBACCO PREVENTION AND CONTROL ADVISORY BOARD

G.M. No. 737 ANTHEA WANG, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Anthea Wang to possess the requisite qualifications to be nominated to the Tobacco Prevention and Control Advisory Board.

Your Committee received testimony in support of the nomination of Ms. Wang from Kaiser Permanente, Mountain-Pacific Quality Health Hawaii, and one individual.

Your Committee notes that Ms. Wang received a Bachelor of Science degree in Biology, a Doctorate of Medicine degree, and Master's degree in Public Health, all from the University of North Carolina. Ms. Wang has over fourteen years of experience in medicine, including leadership positions in public service and private practice. Since 2011, Ms. Wang has served as a Primary Care Physician for outpatient internal medicine, providing guidance and leadership at Kaiser Permanente. Ms. Wang previously served as Medical Director to the Med-QUEST Division of the Hawaii Department of Human Services, where she was responsible for providing clinical guidance and leadership for the division's policies and programs.

Your Committee notes that Ms. Wang has demonstrated significant dedication to public service, as evidenced by her exemplary service as board member of Mountain Pacific Quality Health and as a member of other professional groups such as the American Board of Internal Medicine, American Board of Preventative Medicine, American College of Preventive Medicine, and American College of Physicians. Additionally, Ms. Wang has also received several awards, including the Diabetes Advisory Council of North Carolina Service Award, the John Atkinson Ferrell Distinguished Resident Award, and the David Ontjes Award. Your Committee finds that Ms. Wang has been appointed to the Tobacco Prevention and Control Advisory Board based on her knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1619 Health on Gov. Msg. No. 742**

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, O'AHU SERVICE AREA BOARD

G.M. No. 742 CYNTHIA DANG, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Cynthia Dang to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, O'ahu Service Area Board.

Your Committee received testimony in support of the nomination of Ms. Dang from Kaiser Permanente, Mountain-Pacific Quality Health Hawaii, and one individual.

Your Committee notes that Ms. Dang received a Bachelor's degree in Business Administration from Chaminade University and a Doctor of Psychology degree from Argosy University. Ms. Dang presently works as a mid-level manager for Lean Pathways, a business consulting firm. Ms. Dang is responsible for managing workgroups ranging from twenty to sixty employees. Ms. Dang has experience working with various committees dealing with assessing and treating trauma, and also has experience as a program coordinator for homeless veterans.

Your Committee notes that Ms. Dang has demonstrated significant dedication to public service, as evidenced by her exemplary service as a Program Coordinator for the Homeless Veterans Initiative. Ms. Dang has also demonstrated leadership ability through her participation in the Healthy Workplace Awards Program, Continuing Education Committee, and Annual Conference on Assessing and Treating Trauma. Your Committee finds that Ms. Dang has been appointed to the Mental Health and Substance Abuse, O'ahu Service Area Board, based on her knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1620 Health on Gov. Msg. No. 736**

Recommending that the Senate advise and consent to the nomination of the following:

MENTAL HEALTH AND SUBSTANCE ABUSE, KAUAI SERVICE AREA BOARD

G.M. No. 736 KURT NAGATA, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Kurt Nagata to possess the requisite qualifications to be nominated to the Mental Health and Substance Abuse, Kaua'i Service Area Board.

Your Committee received testimony in support of the nomination of Mr. Nagata from the Department of Health and one individual.

Your Committee notes that Mr. Nagata is an advocate for mental health services on Kauai. Mr. Nagata is the President of the Board of Directors of Friendship House Kauai, which is the first of six mental health Clubhouses in Hawaii. A Clubhouse is a unique, voluntary, member-driven psychosocial rehabilitation program for adults who experience the challenges of mental illness. Within a supportive environment, program participants are offered a multitude of services to improve the quality of their lives through meaningful work, positive relationships, and gainful employment. Participants can build on their strengths and abilities to acquire or improve skills needed to reach their individual goals and aspirations.

Your Committee notes that Mr. Nagata has demonstrated significant dedication to public service, as evidenced by his volunteer efforts with Friendship House and his work with the Consumer, Family, and Youth Hui. Mr. Nagata also brings his personal experience as a recovering alcoholic diagnosed with mental illness. Your Committee finds that Mr. Nagata has been appointed to the Mental Health and Substance Abuse, Kaua'i Service Area Board, based on his knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1621 Health on Gov. Msg. No. 735**

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. 735 SULMA GANDHI, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Sulma Gandhi 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 Ms. Gandhi from the Department of Health; County of Hawaii, Office of the Prosecuting Attorney; and six individuals.

Your Committee notes that Ms. Gandhi received a Bachelor of Science degree in Biology, a Master's degree in Health Information Science, and is currently a Doctorate Candidate in Healthcare Management and Leadership at California Intercontinental University. Since 2012, Ms. Gandhi has served as the Director for Student Health and Wellness Programs at the University of Hawaii at Hilo. Ms. Gandhi's duties include oversight of programs that provide a system of holistic care that integrates education and prevention efforts with medical and mental health service, program, and activities. Ms. Gandhi's past experience includes six years as Health and Wellness Academy Instructor at Kamehameha Schools, two years as Clinical Director of Hospice of Hilo, and experience assisting at-risk children and families with domestic violence.

Your Committee notes that Ms. Gandhi has demonstrated significant dedication to public service, as evidenced by her exemplary service as board member for Turning Point for Families and her award for the 2009 Chamber of Commerce Athena Award for mentoring women in business, leadership, and community service. Additionally, Ms. Gandhi has assisted community organizations such as Hospice of Hilo, YWCA of Hawaii Island Teen Court, AIDS Vancouver Island Helpline, and Kelowna General Hospital. Your Committee finds that Ms. Gandhi has been appointed to the Mental Health and Substance Abuse, Hawaii Service Area Board, based on her knowledge, professional experience, and commitment to public service.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1622 Health on Gov. Msg. Nos. 733, 738, and 781**

Recommending that the Senate advise and consent to the nominations of the following:

STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

- G.M. No. 733 MAXINE NAGAMINE, for a term to expire 6-30-2014;  
 G.M. No. 738 JENNIFER PATRICIO, for a term to expire 6-30-2017; and  
 G.M. No. 781 LESLIE TAWATA, for a term to expire 6-30-2015

MAXINE NAGAMINE

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Maxine Nagamine to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

Your Committee received testimony in support of the nomination of Ms. Nagamine from the State Council on Developmental Disabilities, The Arc in Hawaii, and one individual.

Your Committee notes that Dr. Nagamine received a Bachelor of Education degree, a Master's Degree in Education, and a Doctor of Philosophy degree in Educational Administration, all from the University of Hawaii. Dr. Nagamine presently has over forty years of experience as an educator, including extensive experience as an administrator and a State Education Specialist. Dr. Nagamine currently serves with the Office of Curriculum, Instruction, and Student Support, providing guidance and support through information dissemination, in-service training, visits, and conferences in all areas of Special Education, with a focus on secondary transition.

Your Committee notes that Dr. Nagamine has demonstrated significant dedication to public service, as evidenced by her exemplary service as a public sector educator for over four decades. Dr. Nagamine has also demonstrated leadership ability through her participation and attendance at meetings with community agencies, councils, and University programs. Your Committee finds that Dr. Nagamine has been appointed to the State Council on Developmental Disabilities based on her knowledge, professional experience, and commitment to public service.

JENNIFER PATRICIO

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Jennifer Patricio to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

Your Committee received testimony in support of the nomination of Ms. Patricio from the State Council on Developmental Disabilities, Hawaii Disability Rights Center, and one individual.

Your Committee notes that Ms. Patricio received a Bachelor of Arts degree in Political Science from California State University, Northridge, and a Juris Doctorate degree from the Thomas M. Cooley Law School. Ms. Patricio presently works as a Staff Attorney with the Hawaii Disability Rights Center where she represents clients at administrative and court hearings, advises clients on legal rights and remedies, and provides supervision to non-attorney staff. Ms. Patricio also serves Volunteer Legal Services Hawaii as a pro bono attorney performing case assessments and providing legal advice to pro se clients.

Your Committee notes that Ms. Patricio has demonstrated significant dedication to public service, as evidenced by her exemplary service as a pro bono attorney with Volunteer Legal Services Hawaii. Ms. Patricio has also demonstrated leadership during her initial four-year term on the State Council on Developmental Disabilities. Additionally, Ms. Patricio has cerebral palsy and brings her personal experience as a professional living and working with a developmental disability. Your Committee finds that Ms. Patricio has been reappointed to the State Council on Developmental Disabilities based on her knowledge, professional experience, and commitment to public service.

LESLIE TAWATA

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Leslie Tawata to possess the requisite qualifications to be nominated to the State Council on Developmental Disabilities.

Your Committee received testimony in support of the nomination of Ms. Tawata from the Department of Human Services; Department of Human Services, Med-QUEST Division; State Council on Developmental Disabilities; and one individual.

Your Committee notes that Ms. Tawata received a Bachelor of Arts degree in Psychology from the University of Southern California and a Master's degree in Public Health from the University of Hawaii. Ms. Tawata has over twenty-five years of experience with the Hawaii Department of Human Services. Ms. Tawata is the Assistant Administrator of the Med-QUEST Division of the Department of Human Services, where she is responsible for overseeing the administration and operation of the Division's programs and ensuring that the Medicaid program complies with federal and state laws, regulations, and rules. Ms. Tawata also has extensive experience with the Department of Health and the Department of Human Services working on Medicaid issues.

Your Committee notes that Ms. Tawata has demonstrated significant dedication to public service, as evidenced by her exemplary and extensive service with the Department of Human Services and the Department of Health. Your Committee finds that Ms. Tawata has been appointed to the State Council on Developmental Disabilities based on her knowledge, professional experience, and commitment to public 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, 1 (Slom).

**SCRep. 1623 Technology and the Arts on Gov. Msg. Nos. 773 and 785**

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 773 JULIA STEELE, for a term to expire 6-30-2015; and

G.M. No. 785 EVA ROSE WASHBURN-REPOLLO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Julia Steele and Eva Rose Washburn-Repollo to possess the requisite qualifications to be nominated to serve on the State Foundation on Culture and the Arts Commission.

JULIA STEELE

Your Committee received testimony in support of the nomination of Julia Steele from the Department of Accounting and General Services and five individuals.

Ms. Steele received a Juris Doctorate degree from Stanford Law School and a Bachelor of Arts degree in Journalism and Pacific History from the University of Hawaii at Manoa.

Ms. Steele is the Editor and Editor at Large of Hawaii's largest magazine, *Hana Hou!* In this position, Ms. Steele has conceived, developed, and written award-winning articles about creative individuals and movements in Hawaii. Ms. Steele has also worked as a Writer for Stanford University, Editor of *Pacifica* magazine, and Founding Editor of *Honolulu Weekly*.

Upon review of the testimony, your Committee finds that Ms. Steele's knowledge, background, and skills qualify her for appointment to the State Foundation on Culture and the Arts Commission.

EVA ROSE WASHBURN-REPOLLO

Your Committee received testimony in support of the nomination of Eva Rose Washburn-Repollo from the Department of Accounting and General Services, State Foundation on Culture and the Arts, National Federation of Filipino American Associations, Filipino Community Center, Congress of Visayan Organizations, Filipinos for Affirmative Action, and seven individuals.

Ms. Washburn-Repollo received a Doctor of Philosophy degree from the University of Hawaii at Manoa and Master of Science degree in Reading from Southern Connecticut State University. She received a Master of Arts degree in English and American Literature and Bachelor of Arts degree in Speech and Theater Arts from Silliman University.

Currently, Ms. Washburn-Repollo serves on the faculty of the Communication Department at Chaminade University, where her courses include Intercultural Communication, Basic Communication Arts, and Professional Presentations. Ms. Washburn-Repollo has also taught literature and language courses at the University of Hawaii at Manoa and Hawaii Pacific University.

Ms. Washburn-Repollo has written and performed in a number of performances in Hawaii and the Philippines, and has also been the producer and scriptwriter for several productions, including documentaries involving Samoan, Micronesian, and Hawaiian culture. Additionally, Ms. Washburn-Repollo has published a proliferation of articles, dramas, and a musical libretto.

Based on the testimony submitted, your Committee finds that Ms. Washburn-Repollo is exceptionally qualified to serve on the State Foundation on Culture and the Arts Commission. The nominee's background, knowledge, and skills will serve the Commission and public well.

As affirmed by the records of votes of the members of your Committee on Technology and the Arts that are attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominees, has found the nominees to be qualified for the positions to which nominated and recommends that the Senate advise and consent to the nominations.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1624 Technology and the Arts on Gov. Msg. No. 783**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII HISTORIC PLACES REVIEW BOARD

G.M. No. 783 WILLIAM SOUZA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds William Souza to possess the requisite qualifications to be nominated to serve on the Hawaii Historic Places Review Board.

Your Committee received testimony in support of the nomination of William Souza from the Department of Land and Natural Resources and Papa Ola Lokahi.

Mr. Souza received a Bachelor of Arts degree from Chaminade University. Prior to Mr. Souza's retirement in 2005, he served as the Administrative Assistant for Hawaiian Affairs to the Chancellor of the University of Hawaii at Leeward Community College. He also served in the U.S. Army as a Medical Corpsman (E-5) Sergeant.

Mr. Souza previously served as the Chairman of the Hawaii Historical Places Review Board for one term. Recently, Mr. Souza served as a Protocol Officer and High Chief of the Royal Order of Kamehameha I for visiting diplomats and consuls assigned to Hawaii.

Based on the testimony submitted, your Committee finds that William Souza is exceptionally qualified to serve on the Hawaii Historic Places Review Board. The nominee's background, knowledge, and skills will serve the Board and the people of Hawaii well.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 3. Noes, none. Excused, 2 (Gabbard, Slom).

**SCRep. 1625 Economic Development, Government Operations and Housing on Gov. Msg. No. 753**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (HE'EIA DISTRICT)

G.M. No. 753 MAHEALANI CYPHER, for a term to expire 6-30-2016

Your Committee received testimony in support of Mahealani Cypher from the Department of Business, Economic Development, and Tourism; Association of Hawaiian Civic Clubs; and two individuals.

Ms. Cypher works for Native Knowledge, LLC, dba Through Hawaiian Eyes Tours. She has also worked for the Office of the City Clerk, City and County of Honolulu; Board of Water Supply; KHVH News Radio; United Press International; Hawaii State House of Representatives; Community Publications, Inc.; Unity House, Inc.; and KHON-TV2 News.

Ms. Cypher serves as a board member on the Honolulu Board of Water Supply. She has also volunteered with the Ko'olaupoko Hawaiian Civic Club, Association of Hawaiian Civic Clubs, Kako'o O'iwi, Kualoa-He'eia Hawaiian Civic Club, Oahu Council of Hawaiian Civic Clubs, Koolau Foundation, Halawa-Luluku Interpretive Development Plan Project, Kaneohe Outdoor Circle, Kaneohe Neighborhood Board, Halawa Coalition, Malama Kukuio Kane, Kaneohe Historical Society, Stop H-3 Association, Moanalua Gardens Foundation, Windward Community College Community Advisory Council, and Castle Medical Center Citizens Advisory Council.

Your Committee finds that Ms. Cypher has a diverse background and sincere commitment to the Kaneohe community and to Native Hawaiian issues, which will enable her to make significant contributions to the Authority for the benefit of the He'eia district.

As affirmed by the record of votes of the members of your Committee on Economic Development, Government Operations and Housing that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 5. Noes, none. Excused, 2 (Baker, English).

**SCRep. 1626 Water and Land on Gov. Msg. Nos. 688 and 689**

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 688 ERNEST MATSUMURA, for a term to expire 6-30-2017; and

G.M. No. 689 SHELDON BIGA, for a term to expire 6-30-2015

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Ernest Matsumura and Sheldon Biga to possess the requisite qualifications to be nominated to the Land Use Commission.

ERNEST MATSUMURA

Your Committee received testimony in support of Ernest Matsumura from the Land Use Commission and six individuals.

Ernest Matsumura received a Bachelor of Science degree from Brigham Young University in Provo, Utah. He has been the Chief Executive Officer of American Trading Co. Ltd. since 1971 and is the former owner (retired) of Designer Meats Inc. d.b.a. Miko Foods of Hawaii. He is also the President of the East Hawaii Community Development Corporation. Mr. Matsumura's experience includes Charter Director of Pacific Educational Foundation Inc. (Hawaii Jobs Corps); Past President/Director of the Kanoehua Industrial Area Association; Hawaii County Advisor for SRI International, Menlo Park, California; Chairman of the Hawaii County Private Industry Council; Chairman of the Hawaii Island New Industry Development Committee; Principal of Hawaii Job Corps Center Educational Department; Hawaii County Hospital Management Advisory Committee; Board of Director of Alu Like Inc. statewide; Region IX Business Roundtable program of the U.S. Department of Labor; and Chairman of the County of Hawaii Real Property Tax Board of Review.

Mr. Matsumura has served on the Land Use Commission on an interim basis for the past two years, and your Committee finds that Mr. Matsumura's knowledge and skills will enable him to continue representing the island of Hawaii well on the Commission.

SHELDON BIGA

Your Committee received testimony in support of Sheldon Biga from the Office of the Mayor of the County of Maui, Land Use Commission, and six individuals.

Sheldon Biga is a Lead Millwright Journey Worker, Machine Shop at Hawaiian Commercial and Sugar Company in Kahului, Maui, a position which he has held since 1977.

Mr. Biga has been serving on the Land Use Commission since June 2012. According to testimony, he has already demonstrated the willingness and capability to contribute to the Commission. Mr. Biga has worked hard to find common paths to resolve a number of difficult community issues and has been a leader in working for the betterment of his community. He has a deep seated love of his

island home of Maui, which lends important insight to the Commission. Mr. Biga's philosophy on his role with the Land Use Commission is very holistic and multi-dimensional. He sees the significance of the Commission as an opportunity to develop a balance between economic, cultural, and agricultural interests.

As affirmed by the records of votes of the members of your Committee on Water and Land 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.

For Gov. Msg. No. 688:

Ayes, 6. Noes, none. Excused, 1 (Dela Cruz).

For Gov. Msg. No. 689:

Ayes, 5. Noes, none. Excused, 2 (Dela Cruz, Slom).

**SCRep. 1627 Water and Land on Gov. Msg. Nos. 709 and 710**

Recommending that the Senate advise and consent to the nominations of the following:

LAND USE COMMISSION

G.M. No. 709 DENNIS ESAKI, for a term to expire 6-30-2017; and

G.M. No. 710 CAROL TORIGOE, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Dennis Esaki and Carol Torigoe to possess the requisite qualifications to be nominated to the Land Use Commission.

DENNIS ESAKI

Your Committee received testimony in support of Dennis Esaki from the State Land Use Commission; United States Senator Brian Schatz; United States Representative Tulsi Gabbard; Mayor of the County of Kaua'i; Kauai Island Utility Cooperative; Tradewind Capital Group, Inc.; R & S Inc. dba CLS Land Surveying and Mapping; Kauai Island Finance Inc.; and ten individuals.

Dennis Esaki received a Bachelor of Science degree in Geology from the University of Hawai'i at Manoa. He is the President of Esaki Surveying & Mapping, Inc., and is a Licensed Professional Land Surveyor and Land Court Surveyor. The nominee is a partner in Kauai Farm Fuel, LLC, which processes used vegetable oil. He is the Chairman Emeritus and a Founding Director of the Kauai Island Utility Cooperative. Mr. Esaki serves as a Director of the Japanese Cultural Center of Hawaii and was on the Kokee State Park Advisory Council. As a prominent member of the Kauai community, Governor Abercrombie and Mayor Carvalho designated by proclamation Dennis Esaki Day on May 31, 2012.

Your Committee notes from the nominee's personal statement that he can bring together different factions for the common goal by working together to balance growth and respect for the land. His mission is to contribute to making the right decisions with regard to land use in Hawaii for the right reasons, resulting in preserving the land for future generations.

CAROL TORIGOE

Your Committee received testimony in support of Carol Torigoe from the State Land Use Commission; SSFM International; KYA Design Group; DFS Group, L.P.; and four individuals.

Carol Torigoe received a Bachelor of Architecture degree from the University of Hawai'i at Manoa and is a Registered Architect in Hawaii. She is a member of the American Institute of Architects. The nominee is an Adjunct Professor at the University of Hawai'i at Manoa School of Architecture, where she also played an integral part in the development of the Practicum Program and continues to participate in that program.

Ms. Torigoe has been the Chief Executive Officer of KYA Design Group since 2012. In her first year as CEO, KYA has become the first architectural firm in Hawaii, and third architectural firm internationally, to qualify for benefit corporation status. A 29-year KYA veteran, Carol Torigoe has been a key player in the company's biggest transformations. She managed the development of creative markets for KYA Design Group and oversaw the launch of a new firm under the KYA Corporation, the KYA Sustainability Studio, which is the first Global Reporting Initiative Organizational Stakeholder in Hawaii. The Corporation's portfolio synergizes a 40-year veteran and reputable architecture firm with a new, innovative think tank/sustainability consultancy service.

According to the nominee's resume, integrity, ethics, and a commitment to Hawaii are the firm's values under her leadership, and "Hawaii's people, culture, future and the social stewardship of the 'Aina, are keystones in the KYA Design Group's project approaches and in the KYA Sustainability Studio's mission."

As affirmed by the records of votes of the members of your Committee on Water and Land 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 (Dela Cruz).

**SCRep. 1628 Water and Land on Gov. Msg. Nos. 774 and 775**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON WATER RESOURCE MANAGEMENT

G.M. No. 774 KAMANAMA KALANI BEAMER, for a term to expire 6-30-2017; and

G.M. No. 775 MILTON PAVAO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Kamanamaikalani Beamer and Milton Pavao to possess the requisite qualifications to be nominated to the Commission on Water Resource Management.

#### KAMANAMAIKALANI BEAMER

Your Committee received testimony in support of Kamanamaikalani Beamer from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Dean of the University of Hawai'i at Manoa William S. Richardson School of Law, Dean of the Hawai'i inuikea School of Hawaiian Knowledge University of Hawai'i at Manoa, Hawaiian Affairs Caucus of the Democratic Party of Hawai'i, and twenty individuals.

Kamanamaikalani Beamer is a graduate of Kamehameha Schools and received an Associate's degree from Marymount College, a Bachelor's degree with a double major in Hawaiian Studies and Philosophy from the University of Hawai'i, a Master's degree and a Doctor of Philosophy degree in Geography from the University of Hawai'i at Manoa, and a First Nations Futures Institute Certificate from Stanford University. He is currently an Assistant Professor in the Hui 'Aina Momona Program, Hawai'i inuikea School of Hawaiian Knowledge and Richardson School of Law, University of Hawai'i at Manoa. He currently serves as Director of the First Nations Futures Program, and has a wealth of research and teaching experience in Hawaiian studies and related land programs. Your Committee notes his specialized skills in fluency in the Hawaiian language; lifetime of Hawaiian cultural training and practice; Hawaiian language composer and songwriter; and foundational knowledge of Hawaiian resources management principles and sustainability practices.

Your Committee notes from the nominee's personal statement that three of his strongest qualities are diplomacy, open-mindedness, and an ability to work effectively as part of a team. I am a straightforward person who acts with integrity. Throughout my career, I have managed to work with different groups and achieve collaboration while bringing together units that had previously operated in silos.

#### MILTON PAVAO

Your Committee received testimony in support of Milton Pavao from the Department of Land and Natural Resources; Department of Water Supply County of Hawaii; Department of Water Supply County of Maui; Department of Water County of Kauai; Hawaii Farm Bureau Federation; William L. Moore Planning, Inc.; Dwyer Schraff Meyer Grant & Green; Hawaii Cattlemen's Council, Inc.; Tom Nance Water Resource Engineering; Kobayashi Group, LLC; Ponoholo Ranch, Ltd.; and eleven individuals.

Milton Pavao is a licensed engineer and received a Bachelor of Science degree in civil engineering from the University of Hawaii. He was formerly with the Department of Water Supply, County of Hawaii for nearly forty years, and held various engineering positions, including Construction and Design Section Head and Manager and Chief Engineer.

Your Committee notes from the personal statement of the nominee that he perceives his role and responsibilities as a member of the Commission on Water Resource Management to be a steward of the State's water resources. He identifies his three best qualities as honesty, integrity, and transparency.

As affirmed by the records of votes of the members of your Committee on Water and Land 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 (Dela Cruz).

#### **SCRep. 1629 Water and Land on Gov. Msg. No. 705**

Recommending that the Senate advise and consent to the nomination of the following:

#### BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 705 REED KISHINAMI, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Reed Kishinami to possess the requisite qualifications to be nominated to the Board of Land and Natural Resources.

Your Committee received testimony in support of the nomination of Reed Kishinami from the Department of Land and Natural Resources; Hawaii Transfer; RMG Pacific; ITC Water Management, Inc.; Hu'ehu'e Ventures, LLC; Pacific Pipe Co.; Polynesian Voyaging Society; and thirteen individuals.

Reed Kishinami received a Bachelor of Science degree in Finance from the University of Colorado. He currently serves as a Member/Owner of the Resort Management Group Companies. Mr. Kishinami previously worked for the PARCON Group; UNIFAB Industries, LLC; Takano Nakamura Landscaping, Inc.; the Hawaii Community Development Authority; Castle & Cooke Homes Hawaii; and the State House of Representatives. He currently serves on the Board of Directors of Oceania Community Health.

Your Committee notes from the nominee's testimony that he strongly feels that his diverse experience in running a local business and working for a large Hawaii conglomerate and his service on the Hawaii Community Development Authority as a Development Project Manager and Urban Planning Coordinator provide him with a very well rounded background to understand the issues and challenges facing the Department of Land and Natural Resources. He believes that a positive mindset is very critical to the overall success of any organization and that a combination of creative, cooperative, open-minded thinking can generate great synergy and extraordinary results. Mr. Kishinami hopes to encourage these basic ideals in the operation and decision making of the Board of Land

and Natural Resources. He believes the Board members are temporary stewards of Hawaii's natural resources and have a fiduciary duty to the current and future generations of Hawaii.

Testifiers in support of the nominee spoke overwhelmingly of Mr. Kishinami's integrity, hard work ethic, good heartedness, generosity, keenness of intellect, high character, straight forward and no-nonsense style, and dedication to the common good of everyone. His modesty is evident from what testifiers have said about him, and his resume and personal testimony reflect a quiet, humble personality.

As affirmed by the records of votes of the members of your Committee on Water and Land that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Dela Cruz).

**SCRep. 1630 Water and Land on Gov. Msg. No. 776**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF LAND AND NATURAL RESOURCES

G.M. No. 776 JAMES GOMES, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds James Gomes to possess the requisite qualifications to be nominated to the Board of Land and Natural Resources.

Your Committee received testimony in support of James Gomes from the Department of Land and Natural Resources; Hawaii Farm Bureau Federation; Palani Ranch Company, Inc.; Ulupono Initiative; Olumau Angus Plus; Kaupo Ranch Ltd.; Parker Ranch; Haleakala Ranch Company; Maui Cattle Company; Hawaii Cattlemen's Council, Inc.; 4 Ag Hawaii; Pu'u Ohia Ranch and Livestock; Kealia Ranch; Maui Equine Veterinary Services; Hawaii Fish Company; McCandless Ranch; Maui Cattlemen's Association; Princeville Ranch; and numerous individuals.

James Gomes is the Operations Manager for Ulupalakua Ranch Ltd., a position he has held since 2003. He also served as President of the Maui Cattlemen's Association and on the Board of Directors of the Association. He is the Chairperson of the County of Maui Liquor Commission. The nominee also serves as Director of the Central Maui Soil and Water Conservation District.

Your Committee notes from the nominee's personal statement that his strongest attribute is his commitment to the land of Hawaii and his knowledge from experience to assist in dry land reforestation projects. He also hopes to assist in finding the best use of our resources and to protect them for future generations.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Dela Cruz).

**SCRep. 1631 Water and Land on Gov. Msg. No. 731**

Recommending that the Senate advise and consent to the nomination of the following:

NATURAL AREA RESERVES SYSTEM COMMISSION

G.M. No. 731 NATHAN YUEN, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nathan Yuen to possess the requisite qualifications to be nominated to the Natural Area Reserves System Commission.

Your Committee received testimony in support of Nathan Yuen from the Department of Land and Natural Resources, Hawai'i Nature Center, Conservation Council for Hawai'i, Hawaiian Trail and Mountain Club, and thirteen individuals.

Nathan Yuen received a Bachelor of Business Administration degree with a double major in Accounting and Management Information Systems from the University of Hawai'i at Manoa, College of Business Administration. He received a Master of Business Administration degree from Hawai'i Pacific University. The nominee currently works for InSynergy Engineering, Inc., where he provides engineering services and administration support to project managers overseeing projects in Hawai'i, Guam, Japan, and other sites throughout the Pacific region.

Nathan Yuen states in his resume that he loves to hike to remote parts of the Hawaiian Islands to photograph and blog about the rarely seen native plants and animals that live there. He created the Year of the Hawaiian Forest calendar for the State of Hawai'i in 2003. He is a member of the Hawaiian Trail and Mountain Club, Sierra Club of Hawai'i, and Hawai'i Audubon Society.

Your Committee notes the following excerpt from the nominee's personal statement: "I'd like to be on the Natural Area Reserves Commission to help save rare and endangered native Hawaiian plants and animals. For the past 15 years I have been an amateur naturalist/hiker/ photographer/blogger where I have hiked to remote parts of the islands to photograph and blog about these unique creatures . . . Hawai'i is known as the extinction capitol of the world. The NARS Commission can play a big part in reversing this unenviable distinction."



As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Dela Cruz).

**SCRep. 1632 Water and Land on Gov. Msg. No. 794**

Recommending that the Senate advise and consent to the nomination of the following:

KANEOHE BAY REGIONAL COUNCIL

G.M. No. 794 JUDITH LEMUS, for a term to expire 6-30-2015

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Judith Lemus to possess the requisite qualifications to be nominated to the Kaneohe Bay Regional Council.

Your Committee received testimony in support of Judith Lemus from the Department of Land and Natural Resources, Hawaii Institute of Marine Biology at the University of Hawai'i at Manoa, Ko'olaupoko Hawaiian Civic Club, and Paepae o He'eia.

Judith Lemus received a Bachelor of Science degree in Biology from the University of California at Los Angeles, a Master's degree in Biology from the University of California at Los Angeles, and a Doctorate of Philosophy degree in Biological Sciences from the University of Southern California. She is currently an Associate Specialist at the Hawai'i Institute of Marine Biology, University of Hawai'i at Manoa. She also served as a Marine Advisory Program Leader for the University of Southern California Sea Grant Program, as well as a Science Specialist in the Program. The nominee created and instructed a course entitled, "The Role of Marine Protected Areas in Ecosystem Based Management" at the University of Hawaii at Manoa School of Ocean and Earth Sciences and Technology.

Your Committee notes the nominee's own words from her personal statement, "Through my interaction and collaboration with colleagues, I will be able to offer perspectives on biological, chemical and physical processes and interactions that contribute to the healthy functioning of the ecosystem. Within my own work, for the past five years I have been collaborating with community organizations in Kaneohe Bay to help extend science research information to Kaneohe Bay residents."

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Dela Cruz).

**SCRep. 1633 (Joint) Education and Ways and Means on H.C.R. No. 30**

The purpose and intent of this measure is to request the Department of Education to meet with interested parties to examine the feasibility of establishing a boxing pilot program in at least one of Hawaii's public high schools.

Your Committees received testimony in support of this measure from the Department of Education, State Boxing Commission, and six individuals.

Your Committees find that boxing teaches children and young adults about hard work, physical fitness, dedication, and focus, all valuable skills that can be used throughout life.

Your Committees further find that high schools in California, Colorado, Michigan, New York, and Ohio have successful boxing programs or clubs. Hawaii's students would likely benefit from having a program within the public school system.

As affirmed by the records of votes of the members of your Committees on Education and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 30, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Education  
Ayes, 4. Noes, none. Excused, 1 (Shimabukuro).

Ways and Means  
Ayes, 9; Ayes with Reservations (Chun Oakland, Espero). Noes, none. Excused, 4 (Dela Cruz, English, Keith-Agaran, Kouchi).

**SCRep. 1634 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on H.C.R. No. 183**

The purpose and intent of this measure is to urge the President of the United States and Congress to support and pass the Filipino Veterans Family Reunification Act of 2013, which exempts the children of certain Filipino World War II veterans from the numerical limitations on immigration visas to facilitate the reunification of Filipino veterans with their families.

Your Committees received testimony in support of this measure from Catholic Charities Hawai'i, Papa Ola Hawai'i, and one individual.

Your Committees find that Filipino soldiers endured untold suffering while fighting alongside American soldiers in the Philippines during World War II. Your Committees further find that Filipino and American prisoners of war were forced to go on the infamous Bataan Death March, during which thousands of Filipino soldiers perished. Filipino soldiers who survived the war waited more than

fifty years to receive the United States citizenship they were promised, but have yet to be reunified with their children who are unable to immigrate to the United States. This measure encourages the United States government to allow these brave veterans to be reunited with their children through the Filipino Veterans Family Reunification Act of 2013.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 183, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1635 (Joint) Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs on H.C.R. No. 224**

The purpose and intent of this measure is to urge the United States Department of Homeland Security, through its United States Citizenship and Immigration Services, to examine and reevaluate its policies regarding refugee and asylee protections, including the principle of non-refoulement.

Your Committees received testimony in support of this measure from fourteen individuals.

Your Committees find that non-refoulement is a fundamental principle of international law that protects refugees and asylees from forcible removal to face persecution in their countries of origin. Your Committee further finds that the United States is legally obligated to enforce the principle of non-refoulement as it is a signatory of several international treaties and has passed the Refugee Act of 1980. This measure is important to ensure fair, equal, and compassionate treatment of refugee and asylum seekers by the United States.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental and Military Affairs and Transportation and International Affairs that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 224, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Public Safety, Intergovernmental and Military Affairs  
Ayes, 3. Noes, none. Excused, 2 (Galuteria, Green).

Transportation and International Affairs  
Ayes, 6. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1636 Economic Development, Government Operations and Housing on Gov. Msg. Nos. 754 and 756**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY (KAKA'AKO DISTRICT)

G.M. No. 754 BRIAN LEE, for a term to expire 6-30-2015; and

G.M. No. 756 LOIS MITSUNAGA, for a term to expire 6-30-2016

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Brian Lee and Lois Mitsunaga to possess the requisite qualifications to be nominated to the Hawaii Community Development Authority (Kakaako District).

BRIAN LEE

Your Committee received testimony in support of Brian Lee from the Department of Business, Economic Development, and Tourism; Building Industry Association of Hawaii; Castle & Cooke Hawaii; The Chamber of Commerce of Hawaii; Electrical Contractor's Association of Hawaii; Hawaii Building and Construction Trades Council, AFL-CIO; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; International Brotherhood of Electrical Workers, Local Union 1186; International Longshore and Warehouse Union; International Union of Painters and Allied trades, District Council 50; Laborers' International Union of North America, Local 368; Plumbers and Fitters, Local 675; Subcontractors Association of Hawaii; and eight individuals. The Department of Business, Economic Development, and Tourism testified that Mr. Lee is presently serving on the Hawaii Community Development Authority Kakaako District as an at-large member.

Mr. Lee is the Research & Communications Director of the International Brotherhood of Electrical Workers, Local 1186 and a media consultant. He has also worked for the Hawaii Operating Engineers Industry Stabilization Fund; Hawaii Construction Industry Association; Tokunaga Masonry, Inc.; and Edward Y. Ono Construction, Inc. Mr. Lee also worked as a finance account executive for Hawaii and New York corporations.

Mr. Lee serves on the Contractors Advisory Committee and is a member of the Aloha Society of Association Executives, Community Television Producers Association, General Contractors Association of Hawaii, Hawaii Procurement Institute, Hawaii Union Builders Educational Foundation, and Mason Contractors Association of Hawaii.

Your Committee finds that Mr. Lee's experience with the Authority and background in the areas of finance, labor, construction, and social service will continue to be a valuable asset to the Hawaii Community Development Authority Kakaako District in its planning and implementation of community development programs.

LOIS MITSUNAGA

Your Committee received testimony in support of Lois Mitsunaga from the Department of Business, Economic Development, and Tourism; Hawaii Building and Construction Trades Council, AFL-CIO; Plumbers and Fitters, Local 675; and ten individuals. The Department of Business, Economic Development, and Tourism testified that Ms. Mitsunaga is currently serving as a member on the Hawaii Community Development Authority Kakaako District.

Ms. Mitsunaga works as Treasurer and Structural Engineer at Mitsunaga & Associates, Inc. Her duties include the preparation and reporting of proposals, costs, and financial data for Hawaii and international construction projects; and the design, analysis, and management of construction projects.

Ms. Mitsunaga is a member of the Structural Engineers Association of Hawaii, American Society of Civil Engineers, and Urban Land Institute.

Your Committee finds that Ms. Mitsunaga's experience with the Authority and in with construction projects will continue to be of significant value to the Hawaii Community Development Authority Kakaako District and its planning and implementation of community development programs.

As affirmed by the records of votes of the members of your Committee on Economic Development, Government Operations 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 (Baker, English).

**SCRep. 1637 (Joint) Human Services and Commerce and Consumer Protection on H.C.R. No. 199**

The purpose and intent of this measure is to urge the Department of Commerce and Consumer Affairs and the American Association for Marriage and Family Therapy: Hawaii Division, to develop draft legislation establishing, implementing, and monitoring continuing education requirements for all licensed marriage and family therapists in Hawaii.

Your Committees received testimony in support of this measure from the National Association of Social Workers, Hawaii Chapter; American Association for Marriage and Family Therapy, Hawaii Division; and four individuals. Your Committees received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that the profession of marriage and family therapy provides critically needed services in prevention, intervention, and treatment to a broad spectrum of clients. Hawaii is one of only three states that do not require continuing education credits as part of their licensing law for marriage and family therapists. Continuing education is essential to help marriage and family therapists maintain their professional competency and keep abreast of the latest developments in their profession.

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 H.C.R. No. 199, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Solomon, Taniguchi, Wakai).

**SCRep. 1638 (Joint) Human Services and Ways and Means on H.C.R. No. 184**

The purpose and intent of this measure is to request the Auditor to conduct a comprehensive financial audit of the Department of Human Services Med-QUEST division, with emphasis on the Medicaid Program.

Your Committees received comments on this measure from the Department of Human Services.

Your Committees find that Medicaid is the most costly program within the Department of Human Services, currently covering the healthcare needs of twenty-three percent of Hawaii's residents, which translates to approximately one in four individuals. Medicaid cost management and savings processes should accompany requests for increased budget requests; however, a lack of management processes, accurate systems of accounting, and internal controls have put Medicaid on an unsustainable track. A current audit of the Med-QUEST Division's financial processes is needed in light of the projected growth and expansive budget requests for the Medicaid Program.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 184, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Ways and Means

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1639 Human Services on H.C.R. No. 118**

The purpose and intent of this measure is to request the Department of Human Services to prepare a progress report on detailing efforts to improve and re-engineer processing for adult protective services.

Your Committee received testimony in support of this measure from the Department of Human Services and one individual.

Your Committee finds that Adult Protective Services provides crisis intervention, including investigation and emergency services, to vulnerable adults reported to be abused, neglected, or financially exploited by others or seriously endangered due to self-neglect, without regard to income. While the Department of Human Services has limited resources and lacks additional staff and funds necessary to fully implement the expansion of the adult protective services law, the Department indicates that it is undertaking important changes to respond to the critical state of Adult Protective Services, including re-engineering processing according to best and evidence-based practices and updating data collection.

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. 118, H.D. 1, and recommends its adoption.

Signed by the Chair on behalf of the Committee.

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

**SCRep. 1640 (Joint) Human Services and Ways and Means on H.C.R. No. 76**

The purpose and intent of this measure is to request the Executive Office on Aging to continue its research of the timebanking concept for Hawaii's respite system.

Your Committees received testimony in support of this measure from the Executive Office on Aging.

Your Committees find that respite services offer a temporary break to caregivers from their ongoing responsibility of caring for an individual of any age. The Executive Office on Aging recognizes that each year the State is asked to fund numerous home- and community-based social service programs that support Hawaii's family caregivers and their respite needs, such as Kupuna Care.

Your Committees further find that home- and community-based social service programs have traditionally utilized a monetary form of currency to support their service delivery. However, alternative forms of currency to support increasing community needs are being explored locally, nationally, and internationally. Timebanking is one such alternative that may offer a more sustainable provision of social services and may strengthen Hawaii's communities by building on individual strengths and recognizing that everyone in our community has something to offer.

As affirmed by the records of votes of the members of your Committees on Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 76, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Human Services

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

Ways and Means

Ayes, 10. Noes, none. Excused, 3 (English, Keith-Agaran, Kouchi).

**SCRep. 1641 Judiciary and Labor on Gov. Msg. Nos. 562, 563, and 564**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF REGISTRATION OF THE ISLAND OF HAWAI'I

G.M. No. 562 ANDREW KAHILI, for a term to expire 6-30-2014;

G.M. No. 563 PHILIP MATLAGE, for a term to expire 6-30-2013; and

G.M. No. 564 PHILIP MATLAGE, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Andrew Kahili and Philip Matlage to possess the requisite qualifications to be nominated to serve on the Board of Registration of the Island of Hawai'i.

ANDREW KAHILI

Your Committee received testimony in support of the nomination of Andrew Kahili from the Office of Elections.

Mr. Kahili is a graduate of Hilo High School. Since 1989, he has served in various roles at the YWCA of Hawai'i Island in Hilo. He currently serves as its Community Relations Events Officer where his major responsibilities include administering the daily operations of the Healthy Start and Enhanced Healthy Start programs and the YWCA of Hawai'i Island's Membership Services Department and Aquatic Program; managing all of the YWCA facilities island-wide; coordinating all public relations activities and community events; and overseeing program development and personnel development. Mr. Kahili's dedication and commitment to the YWCA is illustrated by his experience in previously serving as an Assistant Instructor, Program Instructor, and Program Director for the Hawai'i 'Opio Ho'omaikai Program; Program Manager for Family Support Services; and Program Director for the Healthy Start and Enhanced Healthy Start Programs. All of these programs are administered by the YWCA.

Mr. Kahili is nominated for an interim term to the Board of Registration of the Island of Hawai'i. In his statement submitted to your Committee, he indicated that he wishes to be a member of the Board of Registration because he simply wants to serve his Hawai'i Island community. He further indicated his commitment to maintaining high standards and being proactive in raising the bar to achieve excellence in all areas of the Board of Registration. Mr. Kahili's willingness to serve his community coupled with his extensive background in community service make him an excellent nominee to the Board of Registration of the Island of Hawai'i.

#### PHILIP MATLAGE

Your Committee received testimony in support of the nomination of Philip Matlage from the Office of Elections.

Mr. Matlage earned his Bachelor's degree in Art from California State University, Sacramento. Prior to his retirement in 2008, he served as a DMV Manager-1 at the California Department of Motor Vehicles in Sacramento, California, where he managed and supervised a unit of eight to twelve employees, reviewed motor vehicle title and registration applications, served as an expert witness in small claims and state and federal civil and criminal court proceedings, and served as a resource person for complex motor vehicle title and registration applications regarding motor vehicle safety and emissions compliance issues.

Mr. Matlage is nominated for an interim term and for reappointment to the Board of Registration of the Island of Hawai'i. He was appointed on July 25, 2012, on an interim basis and served as a board member for the 2012 primary and general elections. In his statement submitted to your Committee, he indicated that he hopes to assist the Board of Registration in protecting an individual's right to cast a ballot and determine whether ballots should be accepted provisionally within the statutory authority provided to the Board of Registration. Mr. Matlage 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 Andrew Kahili and Philip Matlage are exceptionally qualified to serve on the Board of Registration of the Island of Hawai'i. 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 (Slom).

#### **SCRep. 1642      Judiciary and Labor on Gov. Msg. No. 565**

Recommending that the Senate advise and consent to the nomination of the following:

#### BOARD OF REGISTRATION OF THE ISLAND OF O'AHU

G.M. No. 565    ALAN BURDICK, 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 Burdick to possess the requisite qualifications to be nominated to serve on the Board of Registration of the Island of O'ahu.

Your Committee received testimony in support of the nomination of Alan Burdick from the Office of Elections and two individuals.

Mr. Burdick received his Bachelor of Arts degree from Yale University and earned his Doctorate of Jurisprudence from Boalt Hall at the University of California Berkley. While in law school, he served as the Managing Editor of the *Environmental Law Quarterly*. He currently serves as an Administrator for Research, Planning, and Resource Development in the Office of Community Services of the Department of Labor and Industrial Relations where he is responsible for helping to assure quality, compliance, and integrity of state and federal programs administered by the Office of Community Services and for the development of new programs. He has extensive legal experience as a sole practitioner and has previously served as an Associate Attorney and Of Counsel with various law firms in Hawaii. His legal experience includes complex civil litigation, insurance coverage work for insured persons and entities, and personal injury litigation.

Mr. Burdick is licensed to practice law in Hawaii, California, and Massachusetts and has federal court admissions in Hawaii, the Ninth Circuit, and the United States Supreme Court. Due to his previous experience in serving as an Attorney for the Micronesian Legal Services Corporation and as a Staff Counsel for the Commission on Future Political Status and Transition for the Government of the Federated States of Micronesia, Mr. Burdick's court admissions also include the Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, and the Republic of the Marshall Islands.

Mr. Burdick's legal accomplishments include published work relating to the Constitution of the Federated States of Micronesia as well as Hawaii motor vehicle insurance law and insurance considerations in Hawaii personal injury litigation. He has served as an Adjunct Professor at the William S. Richardson School of Law at the University of Hawaii at Manoa where he taught courses on the Pacific Island legal systems with focus on conflicts between custom and modern law, land tenure, human rights issues, state formation and disintegration, and economic development and resource issues.

Mr. Burdick is nominated for an interim term to the Board of Registration of the Island of O'ahu. He was appointed on July 25, 2012, on an interim basis and served as a board member during the 2012 primary and general elections. Testimony indicates that his careful, analytical style is suited for adjudicating voter registration issues. Mr. Burdick 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 Alan Burdick is exceptionally qualified to serve on the Board of Registration of the Island of O'ahu. The nominee's background, knowledge, and skills will serve the Board and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1643 Judiciary and Labor on Gov. Msg. No. 567**

Recommending that the Senate advise and consent to the nomination of the following:

BOARD OF REGISTRATION OF THE ISLANDS OF KAUA'I AND NI'IIHAU

G.M. No. 567 ROSE KURITA, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Rose Kurita to possess the requisite qualifications to be nominated to serve on the Board of Registration of the Islands of Kaua'i and Ni'ihau.

Your Committee received testimony in support of the nomination of Rose Kurita from the Office of Elections and one individual.

Ms. Kurita is a graduate of Konawaena High School and later graduated from Hilo Commercial College. Prior to her retirement in 1994, she served as the Secretary to the Dean of Instruction at Kauai Community College where her main responsibilities included providing various clerical services and supervising the student helpers and clerical workers in the office. She also previously served as an office worker and travel agent for A-Plus Travel where she handled clients and sold airline tickets for local and international destinations. She also currently serves as a musician and certified piano teacher for various organizations, including Casa di Amici where she has performed for the past eighteen years.

Ms. Kurita has extensive community service involvement, including serving as an Event and Program Coordinator for Kauai's Lokahi Giving Project, a Coordinator for the Salvation Army Thanksgiving Luncheon, a Historian for Family and Community Education, and a member of the Musician's Union. She has also served as a judge for various local pageants and talent competitions, a board member of the YWCA, and a contributing board member on her condominium association.

Ms. Kurita was appointed to the Board of Registration on July 25, 2012, on an interim basis and served as a board member during the 2012 primary and general elections. In her written statement submitted to your Committee, she indicated that she believes in an individual's right to vote and as a board member, she intends to contribute her efforts to help ensure that the voting process is executed properly.

Based on the testimony submitted, your Committee finds that Rose Kurita is exceptionally qualified to serve on the Board of Registration of the Islands of Kaua'i and Ni'ihau. The nominee's background, knowledge, and skills will serve the Board and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1644 Judiciary and Labor on Gov. Msg. Nos. 568, 726, and 727**

Recommending that the Senate advise and consent to the nominations of the following:

BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

G.M. No. 568 MICHAEL OKUMOTO, for a term to expire 6-30-2016;

G.M. No. 726 KENNETH VILLABRILLE, for a term to expire 6-30-2017; and

G.M. No. 727 BRIAN MOTO, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Michael Okumoto, Kenneth Villabrille, and Brian Moto to possess the requisite qualifications to be nominated to serve on the Board of Trustees of the Deferred Compensation Plan.

MICHAEL OKUMOTO

Your Committee received testimony in support of the nomination of Michael Okumoto from the Department of Human Resources Development; Board of Trustees of the Deferred Compensation Plan; Finance Department, County of Hawaii; and seven individuals.

Mr. Okumoto earned his Bachelor of Arts degree in Psychology from Coe College and received his Master of Business Administration degree from the University of Wyoming. He currently serves as the County of Hawaii Treasurer where his major duties include the cash management and investment of county funds and issuance and administration of general obligation and improvement district bonds. He previously served as a Commercial Loan Officer and Branch Manager at various Bank of Hawaii branch locations in Hilo and Kailua-Kona and on Oahu.

Mr. Okumoto is a retired Lieutenant Colonel of the Hawaii Air National Guard where he served as the Chief of Maintenance for the 201st Combat Communications Squadron. He also served in the United State Air Force as a Budget Officer at March Air Force Base in California and as a Missile Launch Officer at F.E. Warren Air Force Base in Cheyenne, Wyoming.

Mr. Okumoto has served as an interim appointee on the Board of Trustees of the Deferred Compensation Plan since July 2, 2012. Testimony in support of his nomination indicates that he has demonstrated a strong commitment to improving the Deferred Compensation Plan, diligently attended all board meetings, and faithfully fulfilled his fiduciary responsibilities to the Deferred Compensation Plan and its participants. His professional background and experience as the Treasurer of the County of Hawaii enables him to represent neighbor island interests and concerns well.

#### KENNETH VILLABRILLE

Your Committee received testimony in support of the nomination of Kenneth Villabrille from the Department of Budget and Finance, Department of Human Resources Development, Board of Trustees of the Deferred Compensation Plan, and three individuals.

Mr. Villabrille earned his Bachelor in Business Administration in Accounting from the University of Hawaii at Manoa where he also minored in Finance. He currently serves as the Central Payroll Accountant in the Accounting Division of the Department of Finance of the County of Kauai where he is responsible for providing centralized accounting and financial reporting for all county operations and preparing an action plan and recommendations in response to all audit findings. He previously served as the President of the Board of Directors of the Kauai Government Employees Federal Credit Union.

Testimony in support of Mr. Villabrille's nomination indicates that his thirty years of experience in the areas of accounting and finance will be beneficial assets for the Board of Trustees. As a Trustee from a neighbor-island county government, he will bring a fresh perspective that will help complement the diversity of backgrounds and experiences of the Trustees currently serving on the Board. His appointment will further expand the depth and broad representation of the Trustees with his background in county government, state government, accounting, and finance, and he will be an advocate for public employees' interests.

#### BRIAN MOTO

Your Committee received testimony in support of the nomination of Brian Moto from the Department of Budget and Finance, Board of Trustees of the Deferred Compensation Plan, and one individual.

Mr. Moto earned his Bachelor in Business Administration in Accounting from the University of Hawaii at Manoa and graduated with high honors. He received his Doctorate of Jurisprudence from the University of Michigan Law School. He later received his Certificate in Anglican Studies from Berkeley Divinity School in New Haven, Connecticut, and his Master of Arts in Religion from the Yale Divinity School where he graduated magna cum laude. He is licensed to practice law in Hawaii and is an inactive member of the New York State Bar Association.

Mr. Moto currently serves as the Special Assistant to the Chancellor for the Research Corporation of the University of Hawaii Maui College. His major responsibilities include assisting the Chancellor of the University of Hawaii Maui College in all aspects of the management of the College, its faculty, staff, and students, and programs and activities; assisting in matters concerning the College and its relations with the University of Hawaii System and other United States and foreign institutions of higher learning; and assisting in work relating to the University of Hawaii Foundation, Academic Senate, Chancellor's Advisory Council, University of Hawaii Maui College Executive Committee, Student Life, academic program advisory committees, and other campus organizations and committees.

Mr. Moto has extensive experience at the Department of Corporation Counsel of the County of Maui. He previously served as Corporation Counsel of the County of Maui where his major responsibilities included serving as chief legal advisor and legal representative of the County of Maui and advising and representing the Mayor, the County Council, county departments, boards and commissions, and county officers and employees in matters relating to their official duties. Prior to his appointment as Corporation Counsel, he served as First Deputy Corporation Counsel, Deputy Corporation Counsel, and Law Clerk.

Mr. Moto has extensive community involvement. He serves as President of the Maui AJA Veterans, Inc.; Trustee of the Maui Historical Society Bailey House Museum; Member of the Board of Directors of the Friends of the Children's Justice Center of Maui; Member of the Board of Directors of the Nisei Veterans Memorial Center; and President of the Board of Directors of Ebb & Flow Arts, to name a few. He serves as a Eucharistic Minister for St. John's Episcopal Church in Kula. He is also involved in organizations such as Catholic Charities Hawaii Maui Advisory Board; Mantokuji Soto Mission of Paia, Maui; Maui High School Foundation; Rotary Club of Maui; Maui Fukushima Kenjin Kai; and Maui Filipino Chamber of Commerce.

Testimony in support of Mr. Moto's nomination indicates that he has demonstrated a thorough understanding and background in government operations and has a high aptitude for investments and matters of finance. His thoroughness and analytical skills will help the Board of Trustees to be deliberative in executing the most appropriate plan designs for the benefit of the participants of the Deferred Compensation Plan.

Accordingly, based on the testimony submitted, your Committee finds that Michael Okumoto, Kenneth Villabrille, and Brian Moto are exceptionally qualified to serve on the Board of Trustees of the Deferred Compensation Plan. The nominees' professional experience 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 (Slom).

#### **SCRep. 1645      Judiciary and Labor on Gov. Msg. No. 569**

Recommending that the Senate advise and consent to the nomination of the following:

#### DEFENDER COUNCIL

G.M. No. 569    ALEXANDRA SCANLAN, for a term to expire 6-30-2014

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Alexandra Scanlan to possess the requisite qualifications to be nominated to serve on the Defender Council.

Your Committee received testimony in support of the nomination of Alexandra Scanlan from the Office of the Public Defender.

Ms. Scanlan earned her Bachelor of Arts degree in Sociology from the University of Hawaii at Manoa and received her Doctorate of Jurisprudence from the William S. Richardson School of Law at the University of Hawaii at Manoa. She currently is a private criminal defense attorney practicing in Honolulu with twenty years of experience in handling over a hundred jury trials in Hawaii Circuit and Family Courts, hundreds of bench trials in Hawaii District and Family Courts, writing numerous briefs, and presenting three oral arguments before the Hawaii Supreme Court.

According to testimony in support of Ms. Scanlan's nomination, her experience as a former Deputy Public Defender has allowed her to form a complete understanding of the criminal justice system and the Public Defender's essential role in that system. As a member of the Defender Council, she will assist the Office of the Public Defender in fulfilling its mission of zealous and effective representation of indigent persons charged with criminal offenses.

Your Committee finds that due to the nominee's previous experience in the criminal justice system, the State will benefit from Ms. Scanlan serving on the Defender Council. Your Committee further finds that Ms. Scanlan is eminently qualified, and her experience, knowledge, and skills will be invaluable to the Defender Council.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1646 Judiciary and Labor on Gov. Msg. Nos. 570 and 684**

Recommending that the Senate advise and consent to the nominations of the following:

HAWAII WORKFORCE DEVELOPMENT COUNCIL

G.M. No. 570 SUNSHINE TOPPING, for a term to expire 6-30-2016; and

G.M. No. 684 CONSTANCE MITCHELL, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Sunshine Topping and Constance Mitchell to possess the requisite qualifications to be nominated to serve on the Hawai'i Workforce Development Council.

SUNSHINE TOPPING

Your Committee received testimony in support of the nomination of Sunshine Topping from the Department of Human Resources Development, Department of Labor and Industrial Relations, Department of Budget and Finance, Office of Hawaiian Affairs, and twelve individuals. Two individuals submitted comments regarding the nomination of Ms. Topping.

Ms. Topping obtained her Bachelor of Arts degree from the University of Colorado, Boulder, and was a Master's degree candidate at the University of Hawai'i at Manoa School of Social Work. She currently serves as the Director of Recruitment for Hawaiian Airlines where she is responsible for all aspects of recruitment, compensation, and workforce development for four thousand five hundred employees. Her role as Director of Recruitment requires her to plan and implement short and long term recruitment strategies to help Hawaiian Airlines meet its staffing needs.

Ms. Topping previously served as the Director of Human Resources Development where she was responsible for managing all human resources functions for the State's workforce, including managing a staff of nearly one hundred employees, extensive lobbying with the Legislature, monitoring new human resource initiatives, and planning workforce development initiatives. She also previously served as the Director of Human Resources at Sandwich Isles Communications, Director of Human Resources and Ethics for NovaSol, and Human Resources Manager at The Boeing Company. She has also been involved in the community as a member of the Executive Board of the Hawaiian Way Fund, member of Hui Makua o Kawaiaha'o, the Honolulu Advertiser Community Advisory Board, and member of the Hawaii Science and Technology Council's Workforce Development Team.

Testimony in support of Ms. Topping's nomination indicates that Ms. Topping continues to showcase her talent and professional background as a valuable contributor to organizations in Hawaii. She is well versed in the complex issues that face Hawaii's workforce and will provide a wealth of experience and insight to support Hawaii's workforce to spur economic development.

CONSTANCE MITCHELL

Your Committee received testimony in support of the nomination of Constance Mitchell from the Department of Labor and Industrial Relations.

Ms. Mitchell earned her Bachelor of Science degree in Nursing and her Master of Science in Nursing with an emphasis in Psychiatric Mental Health Nursing from the University of Hawaii at Manoa. She also matriculated in the Doctoral of Nursing Practice program for two years at the Frances Payne Bolton School of Nursing at Case Western Reserve University. She currently serves as the Executive Director of the Institute for Human Services, Inc., where she oversees the community-based, homeless services non-profit agency with an annual budget exceeding \$10,000,000 and over one hundred paid employees. She also manages an array of homeless and homeless prevention services including three service sites serving over five thousand individuals. She also currently serves as an adjunct faculty member at the University of Hawaii School of Nursing and Dental Hygiene where she teaches courses in the Advanced Practice Nurse graduate program. She previously served as the Director of Nursing of Hawaii State Hospital of the Department of



Health and as a Unit Manager for Admissions and Stabilization Units for the University of Hawaii at Manoa School of Nursing/Hawaii State Hospital/Adult Mental Health Division.

Ms. Mitchell is a recipient of various grants, recognitions, and awards including the Ho'okele Award for Non-Profit Leadership, Hawaii Community Foundation PONO Fellowship, and Pacific Business News Cades Schutte Non-Profit Leadership Award, to name a few. She has extensive community service and involvement including serving as the Policy Committee Chairperson for Mental Health America, Board member of the Mental Health Association, member of Partners in Care Continuum of Care for Homeless Services, and member of the Inter-Agency Council on Homelessness, to name a few.

Ms. Mitchell indicated in her written statement that despite her extensive experience as a health professional, her personal work experience has spanned many different business sectors, and she has gained an appreciation for organized labor unions as a state-employed clinical nurse specialist at the Hawaii State Hospital while also serving as an adjunct faculty member at the University of Hawaii. As the Executive Director of the Institute for Human Services, she has gained a deep understanding of the importance of workforce development as an essential part of the solution to homelessness. Testimony in support of her nomination indicates that her rich experience and wealth of knowledge in serving the community will be valuable assets to the Workforce Development Council.

Accordingly, based on the testimony submitted, your Committee finds that Sunshine Topping and Constance Mitchell are exceptionally qualified to serve on the Hawaii Workforce Development Council. The nominees' professional experience and community service will serve the Council 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 (Slom).

**SCRep. 1647 Judiciary and Labor on Gov. Msg. Nos. 571, 572, and 685**

Recommending that the Senate advise and consent to the nominations of the following:

LANGUAGE ACCESS ADVISORY COUNCIL

- G.M. No. 571 LITO ASUNCION, for a term to expire 6-30-2016;
- G.M. No. 572 PATRICIA HARPSTRITE, for a term to expire 6-30-2017; and
- G.M. No. 685 MINDY EMMONS, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Lito Asuncion, Patricia Harpstrite, and Mindy Emmons to possess the requisite qualifications to be nominated to serve on the Language Access Advisory Council.

LITO ASUNCION

Your Committee received testimony in support of the nomination of Lito Asuncion from the Office of Language Access, National Federation of Filipino American Associations, Big Island Filipino Community Council, Hawaii Laborers' Union, United Filipino Council of Hawaii, Filipino American Citizens League, and four individuals.

Mr. Asuncion earned his Bachelor of Arts degree in Sociology from the University of Hawaii at Manoa. As an undergraduate, he was one of the first bilingual tutors with the University's Operation Manong program. He subsequently received his Master of Arts in Sociology and Master of Public Health degrees from the University of Hawaii at Manoa. He currently serves as a Program Specialist for the County of Kauai's Agency on Elderly Affairs where his primary responsibilities include grants management, procurement, program monitoring and evaluation, collection and analysis of service and program data, and compilation and production of reports to comply with local, state, and federal requirements. Prior to his current position, he served as a Program Planner for the County of Hawaii's Office of Aging where his major responsibilities included the development, planning, management, and evaluation of programs and services for the elderly residents of Hawaii County.

Mr. Asuncion is an active and committed participant in the community, especially in the health care and Filipino communities. He serves as a member of the American Society of Aging, Alliance of Information and Referral Systems, and Hawaii Pacific Gerontological Society, and previously served as a board member of the Hawaii Island Rural Health Association and Hospice of Hilo. He also serves as an Advisor and Co-Founder of Sariling Gawa Youth Council, Inc.; member of the University of Hawaii at Hilo Pamantasan Committee; charter member of the Hawaii Island Filipino Chamber of Commerce; past President of the Big Island Filipino Community Council; and member of the National Federation of Filipino Associations. He is fluent in English, Ilokano, and Tagalog and has served as an interpreter for court proceedings, casework, and community meetings and has assisted in translating various community service announcements, fliers, and booklets.

Mr. Asuncion previously served on the Language Access Advisory Council from 2007 to 2012. Testimony indicates that as a member, he was supportive of the programs and activities of the Office of Language Access and worked to promote language access to the Big Island. Testimony in support of the nominee also indicates that as an immigrant educated in Hawaii and a professional working at a government agency, he understands the need to provide appropriate language assistance and support and resources to service providers. He is a responsible individual who will make a positive contribution to the Language Access Advisory Council.

PATRICIA HARPSTRITE

Your Committee received testimony in support of the nomination of Patricia Harpstrite from the Office of Language Access and three individuals.

Ms. Harpstrite earned her Bachelor of Arts degree in Spanish from the University of Colorado, Boulder, and received her Master in Arts degree in Spanish from the University of Hawaii at Manoa. She is a Federally Certified Court Interpreter, Hawaii Judiciary Master Certified Interpreter, and Lionbridge Qualified Interpreter for Executive Office of Immigration Review (EOIR) immigration hearings who currently provides legal interpretation for U.S. District Court of Hawaii, Hawaii State Judiciary, and EOIR immigration hearings as well as administrative hearings and private depositions. As a legal interpreter, she provides legal translations for documents for federal and state criminal and civil cases, court forms, legal glossaries and other documents for the Hawaii Immigrant Justice Center, and private translations of civil, medical, business, academic documents, and poetry. She is a retired Professor of Spanish of Leeward Community College where she taught Beginning and Intermediate Spanish, Business Spanish, Latin American Civilization, Spanish for Native Speakers and Bilinguals, and Beginning French.

Ms. Harpstrite is an active interpreter for local and national professional organizations. She serves as the President of the Hawaii Interpreter Action Network and previously served as the Secretary, Vice-President, and President of the Hawaii Interpreters and Translators Association. She is an associate member of the American Translators Association, member of the National Association of Judiciary Interpreters and Translators, and member of the National Association of Judiciary Interpreters and Translators Advocacy Committee. Finally, she has co-authored several articles for national interpreter professional publications, including the National Association of Judiciary Interpreters and Translators' *Proteus* and the American Translators Association's *Interpreter's Voice*.

Testimony in support of the nominee indicates that Ms. Harpstrite has over fifteen years of experience interpreting and translating in Hawaii. In 1998, she became the first Hawaii resident to pass the Federal Court Interpreter Certification Examination. She subsequently earned her credential of Hawaii Judiciary Master Certified Court Interpreter. With a background as a Professor of Spanish, she has provided interpreter training for the Hawaii Judiciary's Basic Orientation Workshops and has been a presenter at numerous Hawaii Interpreter Action Network workshops as well as the Office of Language Access's 2012 Annual Conference. Thus, her experience and accomplishments will make her an excellent addition to the Language Access Advisory Council.

#### MINDY EMMONS

Your Committee received testimony in support of the nomination of Mindy Emmons from the Office of Language Access and eight individuals.

Ms. Emmons earned her Bachelor of Arts degree in Spanish and Linguistics from the University of California, Los Angeles, and her Master of Arts in Linguistics from California State University, Northridge. She also received her Certificate in Translation and Interpretation from the University of California, Santa Barbara. She is a Federally Certified Court Interpreter and serves as a Spanish interpreter for state, federal, and immigration courts. She also is a freelance translator of legal documents and an instructor for court interpreter orientation programs that are sponsored by the Hawaii Judiciary. She previously served as a full-time court interpreter in the County of Los Angeles.

Ms. Emmons is an active interpreter for local and national professional organizations, including serving as a member of the Hawaii Supreme Court Committee on Court Interpreters and Language Access. She currently serves as the President for the Hawaii Interpreter Action Network. She previously served as a Rater for the Federal Court Interpreter Certification Examination program.

Testimony in support of the nominee indicates that Ms. Emmons is an excellent interpreter and translator with high ethical standards. She is one of a select group of linguists in the nation who has been certified by the Administrative Office of the United States Courts as an interpreter for the federal judicial system and as a translator by the American Translator Association. Her credentials demonstrate her mastery in written and oral language conversation skills and she possesses the ability to apply her language skills to the civil and criminal areas. Finally she has a strong understanding of language access issues and its challenges.

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 (Slom).

#### **SCRep. 1648      Judiciary and Labor on Gov. Msg. Nos. 649 and 675**

Recommending that the Senate advise and consent to the nominations of the following:

#### HOISTING MACHINE OPERATORS ADVISORY BOARD

G.M. No. 649    JOAQUIN DIAZ, for a term to expire 6-30-2017; and

G.M. No. 675    DONALD GENTZLER, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joaquin Diaz and Donald Gentzler to possess the requisite qualifications to be nominated to serve on the Hoisting Machine Operators Advisory Board.

#### JOAQUIN DIAZ

Your Committee received testimony in support of the nomination of Joaquin Diaz from the Hoisting Machine Operators Advisory Board, General Contractors Association of Hawaii, Executive Committee of the Hawaii Section of the American Industrial Hygiene Association, and eleven individuals.

Mr. Diaz earned a Bachelor of Science degree in Occupational Safety and Health from Columbia Southern University and his Master of Management degree from the University of Phoenix in Honolulu, Hawaii. He is currently a Safety Director at Hawaiian

Dredging Construction Company. His previous positions include Regional Safety Manager at Dick Pacific Construction Co., Ltd., and Safety Manager at M. Shiroma Painting. Mr. Diaz is a Certified Safety Professional, certified by the Board of Certified Safety Professionals, and a professional member of the American Society of Safety Engineers.

Mr. Diaz is an American Red Cross volunteer and served in the United States Marine Corps for nearly three years before being honorably discharged. He is highly experienced as a manager in the occupational safety and health fields. In addition to holding numerous credentials relating to occupational safety, he has also served as an OSHA Training Institute Instructor for the University of California – San Diego and Director of the Executive Committee for the local chapter of the American Industrial Hygiene Association, and has served as a member of several occupational safety-related committees.

Mr. Diaz is extremely well-qualified and possesses extensive experience with, and a depth of knowledge in, occupational safety and health issues. He is familiar with the issues facing the Hoisting Machine Operators Advisory Board and the State in terms of occupational safety. Mr. Diaz would contribute valuable insights based on experience and provide specific suggestions on ways to address and resolve various issues, which would make him an extraordinary asset to the Advisory Board.

#### DONALD GENTZLER

Your Committee received testimony in support of the nomination of Donald Gentzler from the Hoisting Machine Operators Advisory Board, General Contractors Association of Hawaii, Hawaii Construction Alliance, and one individual.

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.

Given the background, skills, and experience of the nominees, your Committee finds that Joaquin Diaz and Donald Gentzler 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 (Slom).

#### **SCRep. 1649     Judiciary and Labor on Gov. Msg. No. 674**

Recommending that the Senate advise and consent to the nomination of the following:

#### BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM

G.M. No. 674    COLBERT MATSUMOTO, for a term to expire 1-1-2019

Your Committee reviewed the personal history, resume, and statement submitted by the nominee and find Colbert Matsumoto 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 Colbert Matsumoto from the Department of Budget and Finance, Employees' Retirement System, and one individual.

Mr. Matsumoto is a graduate of Lanai High School and obtained his Bachelor's degree from the University of San Francisco where he graduated magna cum laude. He later earned his Doctorate of Jurisprudence from the Boalt Hall School of Law, University of California at Berkeley. He currently serves as the Chairperson and Chief Executive Officer of Island Insurance Company, Ltd., a property and casualty insurance company. He also serves as the President of Tradewind Capital Group, Inc., an asset management and investment company that manages a portfolio of real estate, securities, and private equity investment assets. Lastly, he serves as a director on various corporate boards, including Central Pacific Financial Corporation; Hawaiian Host, Inc.; and Oahu Publications, Inc.

Mr. Matsumoto has been an active volunteer with various community non-profit organizations for over thirty years. He currently serves as a member of the Board of Governors of the Hawaii Community Foundation and as a Director of Enterprise Honolulu, U.S.-Japan Council, Pacific International Center for High Technology and Research, and Urasenke Foundation of Hawaii. He also serves as a member of the Board of Advisors of the Japanese American Citizens League, Honolulu Chapter.

Mr. Matsumoto is nominated for reappointment to the Board of Trustees of the Employees' Retirement System and most recently served as its Chairperson. Testimony in support of Mr. Matsumoto indicates that Mr. Matsumoto's extensive experience in business and law has provided the Board of Trustees valuable insight, knowledge, and direction as the Board has navigated through the changes and challenges of the past decade. During his tenure on the Board, he has served on the Investment Committee, Operations Committee, and Administrative Committee.

Testimony further indicates that while serving as the Board Chairperson, Mr. Matsumoto's leadership was critical in the development and passage of legislation focused on reducing the Employees' Retirement System's pension and unfunded liabilities. During his tenure, the Board introduced proposals on the moratorium on benefit enhancements, pension reform, and increased employer contributions. With the best interests of the Employees' Retirement System's members, retirees, and beneficiaries in mind, he approaches the issues facing the Employees' Retirement System with a critical, professional, compassionate, and fair perspective.

Accordingly, based on the testimony submitted, your Committee finds that Colbert Matsumoto is exceptionally qualified to continue to serve on the Board of Trustees of the Employees' Retirement System. The nominee's professional experience will serve the Board of Trustees and public well.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1650      Judiciary and Labor on Gov. Msg. Nos. 683 and 728**

Recommending that the Senate advise and consent to the nominations of the following:

COMMISSION ON THE STATUS OF WOMEN

G.M. No. 683    JUDY KERN, for a term to expire 6-30-2017; and

G.M. No. 728    MARILYN LEE, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements of by the nominees and finds Judy Kern and Marilyn Lee to possess the requisite qualifications to be nominated to serve on the Commission on the Status of Women.

JUDY KERN

Your Committee received testimony in support of the nomination of Judy Kern from the Department of Human Services, Commission on the Status of Women, and seven individuals.

Ms. Kern earned her Bachelor of Arts degree from Lewis and Clark College. She currently serves as an Education and Training Coordinator for the Public Health Emergency Preparedness Branch of the Department of Health where her major responsibilities include the development and implementation of public health preparedness activities to achieve U.S. Centers for Disease Control and Prevention grant performance measures in Community Preparedness and Public Information and Warning. She also coordinates the Department's workforce training in the Incident Command System and compliance with the National Incident Management System. She previously served at the Department of Health as a Public Information Specialist at the Communications Office and Program Specialist at the Executive Office on Aging. Prior to working at the Department of Health, she served as the Deputy Director of Lanakila Meals on Wheels.

Ms. Kern is an active volunteer with various community organizations. She currently serves as a member of the Board of Directors of Mohala Farms. She previously served on the boards of Planned Parenthood of Hawaii, Hawaii People's Fund, and American Friends Service Committee.

Testimony in support of Ms. Kern's nomination indicates that she is passionate about human rights and has a deep understanding of local, national, and global issues related to social justice. Her professional skills and experience at the Department of Health and Lanakila Meals on Wheels coupled with her strong commitment to advancing the rights of women and girls will help the Commission to fulfill its mandate to strengthen the role of women and promote the interests of girls residing in Hawaii.

MARILYN LEE

Your Committee received testimony in support of the nomination of Marilyn Lee from the Department of Human Services, Commission on the Status of Women, Sex Abuse Treatment Center, Hawaii Laborers' Union, and five individuals. One individual submitted comments regarding the nomination.

Ms. Lee is a graduate of Syracuse University School of Nursing and worked as a nurse for almost forty years. She began her nursing career in the United States Navy where she attained the rank of full Lieutenant. For twenty-five years, she was employed at Wahiawa General Hospital where she served as the Manager of the Medical Surgical Unit and Nursing Supervisor. In 1995, she wrote and defended a certificate of need to establish the Wahiawa General Hospital Home Health Agency.

Ms. Lee served on the Neighborhood Board No. 25 for ten years and served as its Chairperson for four years. She currently serves on the Mililani Mauka Neighborhood Board No. 35 as the representative for the Mayor of the City and County of Honolulu.

Ms. Lee was elected to the Hawaii State House of Representatives in 1996 representing House District 36 for sixteen years. During her tenure at the State House of Representatives, she served multiple positions, including the Co-Chairperson of the Women's Legislative Caucus, Co-Chairperson of the Kupuna Caucus, Majority Floor Leader and Whip, Vice-Chairperson of the House Committee on Finance, and a member of several other House standing committees.

Ms. Lee has extensive community involvement including serving as a member of the Mililani Lions Club, charter member and member of the Board of Friends of the Mililani Public Library, and President and originator of the Central Oahu Caregiver Support Group. Her community activities also include Mililani Drug Free, Central Oahu Soroptimists, and American Cancer Society. For over ten years, she produced and directed "Kukui Connection", a television show on Olelo with a focus on political, community, and cultural and arts issues.

Testimony in support of Ms. Lee's nomination indicates she has extensive experience in advocating for the women and girls of Hawaii. As a former State House Representative, she tirelessly advocated for policies to benefit Hawaii's women, girls, and working families. Her skills as an administrator, educator, and nurse coupled with her strong commitment to advancing the rights of women and girls will help the Commission to fulfill its mandate to strengthen the role of women and promote the interests of girls residing in Hawaii.

Accordingly, based on the testimony submitted, your Committee finds that Judy Kern and Marilyn Lee are exceptionally qualified to serve on the Commission on the Status of Women. The nominees' professional experience 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, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1651 Judiciary and Labor on Gov. Msg. No. 766**

Recommending that the Senate advise and consent to the nomination of the following:

CIVIL RIGHTS COMMISSION

G.M. No. 766 ARTEMIO BAXA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Artemio Baxa to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Civil Rights Commission.

Your Committee received testimony in support of this nominee from the Filipino Coalition for Solidarity, Filipino American Citizens League, National Federation of Filipino American Associations Region 12, and four individuals.

Mr. Baxa earned a Bachelor of Laws degree from Ateneo de Manila University School of Law. He went on to earn a Master's degree in Comparative Law from the University of Chicago Law School and a law degree from the William S. Richardson School of Law. He is licensed to practice law in the Philippines and Hawaii. He served for more than ten years as a Deputy Prosecuting Attorney for the County of Maui and a few years in private practice, and he also served as a Circuit Court Judge of the Second Circuit presiding over criminal and civil cases. He currently works as a Deputy Prosecuting Attorney for the County of Maui in its Appellate Division.

Even before entering law school in the United States, Mr. Baxa served his community and advocated for those most vulnerable to civil rights abuses. For several years, he worked for the Maui Economic Opportunity, Inc., an anti-poverty agency, where he served individuals being denied basic rights and entitlements. Subsequently, he worked with the University of Hawaii School of Urban and Regional Planning Program where he prepared a comprehensive Report on Filipino Immigration and Social Challenges in Maui County that was instrumental in establishing the County of Maui's Immigrant Services Program. As an experienced community activist, attorney, and judge, Mr. Baxa understands the vital role that the Commission plays in upholding federal and state civil rights laws and is committed to decreasing the backlog of cases pending before the Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1652 Technology and the Arts on Gov. Msg. Nos. 658 and 679**

Recommending that the Senate advise and consent to the nominations of the following:

STATE FOUNDATION ON CULTURE AND THE ARTS COMMISSION

G.M. No. 658 JOEL GUY, for a term to expire 6-30-2017; and

G.M. No. 679 SHERMAN WARNER, for a term to expire 6-30-2017

Your Committee has reviewed the personal histories, resumes, and statements submitted by the nominees and finds Joel Guy and Sherman Warner to possess the requisite qualifications to be nominated to serve on the State Foundation on Culture and the Arts Commission.

JOEL GUY

Your Committee received testimony in support of the nomination of Joel Guy from the Department of Accounting and General Services, State Foundation on Culture and the Arts, and two individuals.

Mr. Guy received his Communications degree from the University of Hawaii at Manoa.

Mr. Guy is the Owner of Grass Shack Productions, a multimedia production center. Previously, Mr. Guy worked for Representative Hermina Morita and as the owner of a restaurant.

Mr. Guy currently serves as Commissioner of the Kauai County Charter Review, President of Hanalei to Haena Community Association, and member of the Waipa Commercial Kitchen Advisory Council. Mr. Guy's past community service includes serving as President of the Kauai North Shore Business Council and member of Governor Abercrombie's Advisory Committee.

Upon review of the testimony, your Committee finds that Mr. Guy's professionalism, knowledge, entrepreneurial success, and experience filming documentaries qualify him for appointment to the State Foundation on Culture and the Arts Commission.

SHERMAN WARNER

Your Committee received testimony in support of the nomination of Sherman Warner from the Department of Accounting and General Services, State Foundation on Culture and the Arts, Mayor of Hawaii County, and ten individuals.

Mr. Warner received a Bachelor of Arts degree in Theatre from the University of Hawaii at Manoa.

Mr. Warner co-founded Dodger Theatre, an award-winning, non-profit theatre company. Over the past twenty years, Mr. Warner has produced more than two dozen Broadway shows. Mr. Warner has managed theaters in New York City, Las Vegas, and Cincinnati. Mr. Warner is the President of the Board of Directors of the Waimea Community Association and West Hawaii Meditation Center.

Mr. Warner expressed his belief in the importance of arts in education. Mr. Warner stated that one of his goals as a member of the State Foundation on Culture and the Arts Commission is to increase exposure to the arts for individuals and communities.

Based on the testimony submitted, your Committee finds that Mr. Warner is exceptionally qualified to serve on the State Foundation on Culture and the Arts Commission. The nominee's background, knowledge, and experience will serve the Commission and public well.

As affirmed by the records of votes of the members of your Committee on Technology and the Arts 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 (Tokuda, Slom).

**SCRep. 1653 Technology and the Arts on Gov. Msg. No. 784**

Recommending that the Senate advise and consent to the nomination of the following:

HAWAI'I HISTORIC PLACES REVIEW BOARD

G.M. No. 784 NANCY PEACOCK, for a term to expire 6-30-2017

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Nancy Peacock to possess the requisite qualifications to be nominated to serve on the Hawai'i Historic Places Review Board.

Your Committee received testimony in support of the nomination of Nancy Peacock from the Department of Land and Natural Resources and five individuals.

Ms. Peacock receive a Bachelor of Architecture degree from Cornell University.

Ms. Peacock is the President and Owner of an architecture firm. She is a licensed architect in Hawaii and is a member of the American Institute of Architects (AIA). In the past, Ms. Peacock has served as the President of the AIA Hawaii State Council and the Hawaii Chapter of the American Society of Interior Designers. Ms. Peacock has received numerous awards for her work from the AIA Honolulu Chapter and the Building Industry Association.

Ms. Peacock expressed that she is excited to serve a third term as a member of the Hawai'i Historic Places Review Board. Ms. Peacock further expressed that during her past service on the Board, she immensely enjoyed the experience and appreciated the opportunity to serve the public.

Upon review of the testimony, your Committee finds that Ms. Peacock understands the importance of preserving Hawai'i's historic places. Her knowledge, background, and skills qualify her for appointment to the Hawai'i Historic Places Review Board as the architect member.

As affirmed by the record of votes of the members of your Committee on Technology and the Arts that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position 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 (Tokuda, Slom).

**SCRep. 1654 Health on Gov. Msg. Nos. 695, 696, and 697**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, TRI-ISLE SUBAREA

G.M. No. 695 CONSTANCE WILLIAMS, for a term to expire 6-30-2017;

G.M. No. 696 COLIN HANLON, for a term to expire 6-30-2017; and

G.M. No. 697 CURT MORIMOTO, for a term to expire 6-30-2017

CONSTANCE WILLIAMS

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Constance Williams to possess the requisite qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

Your Committee received testimony in support of Constance Williams from the Department of Health.

Ms. Williams received an Associate of Science in Nursing from Mid-State Technical College, a Bachelor of Science in Nursing from West Texas A&M, and a Master of Science in Advance Public Health Nursing from the University of Hawaii at Manoa. She is a Registered Nurse in Hawaii and California.

Ms. Williams currently works for the University of Hawaii, Maui College, in Kahului, where she is responsible for designing, implementing, leading, evaluating, and revising academic and continuing education programs for nursing students. Ms. Williams is also a Staff Registered Nurse for Hawaii Pacific Health at Straub Hospital.

Your Committee finds that Ms. Williams has been appointed to the Health Planning Council, Tri-Isle Subarea based on her knowledge, professional experience, and commitment to public service.

COLIN HANLON

Your Committee has reviewed the personal history, statement, and resume submitted by the nominee and finds Colin Hanlon to possess the requisite qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

Your Committee received testimony in support of Colin Hanlon from the Department of Health and two individuals.

Mr. Hanlon received a Bachelor of Science in Physical Education and teacher certification from Plymouth State College in Plymouth, New Hampshire. Mr. Hanlon also has several certificates, including certificates for Research in Resource Development and the Executive Leadership Program from the Boys & Girls Club of America.

Mr. Hanlon currently serves as the Chief Professional Officer for the Boys & Girls Club of Maui, Inc., where he provides leadership and direction to ensure the effective operation and delivery of programs.

Your Committee finds that Mr. Hanlon has been appointed to the Health Planning Council, Tri-Isle Subarea based on his knowledge, professional experience, and commitment to public service.

CURT MORIMOTO

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Curt Morimoto to possess the requisite qualifications to be nominated to the Health Planning Council, Tri-Isle Subarea.

Your Committee received testimony in support of Curt Morimoto from the Department of Health and one individual.

Mr. Morimoto received a Bachelor of Science in Biology from Seattle University in Seattle, Washington. He is a certified Emergency Medical Technician in Washington state and Hawaii. He is also a licensed Paramedic in Hawaii.

Mr. Morimoto currently serves as the Operations Manager for American Medical Response in Maui County. He previously worked for International Life Support and the City & County of Honolulu in emergency medical services.

Your Committee finds that Mr. Morimoto has been appointed to the Health Planning Council, Tri-Isle Subarea based on his knowledge, professional experience, and commitment to public 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, 1 (Slom).

**SCRep. 1655 Health on Gov. Msg. Nos. 698 and 699**

Recommending that the Senate advise and consent to the nominations of the following:

HEALTH PLANNING COUNCIL, WINDWARD SUBAREA

G.M. No. 698 IRENE CARPENTER, for a term to expire 6-30-2017; and

G.M. No. 699 CHRISTOPHER SIBLEY, for a term to expire 6-30-2017

IRENE CARPENTER

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Irene Carpenter to possess the requisite qualifications to be nominated to the Health Planning Council, Windward Subarea.

Your Committee received testimony in support of Irene Carpenter from the Department of Health and the Hawaii Primary Care Association.

Ms. Carpenter received a Bachelor of Science degree in Psychology and a Master of Science degree in Counselor Education from Suffolk University.

Ms. Carpenter currently serves as the Founder and Board President of Ko'olauloa Community Health and Wellness Center. She has over thirty years of experience in health and human services programs.

Your Committee finds that Ms. Carpenter has been appointed to the Health Planning Council, Windward Subarea, based on her knowledge, professional experience, and commitment to public service.

CHRISTOPHER SIBLEY

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Christopher Sibley to possess the requisite qualifications to be nominated to the Health Planning Council, Windward Subarea.

Your Committee received testimony in support of Christopher Sibley from the Department of Health.

Mr. Sibley received Bachelor of Science and Master of Science degrees in Finance from Louisiana State University in Baton Rouge, Louisiana. He also received a Master of Business Administration degree from the University of San Francisco in San Francisco, California.

Mr. Sibley currently serves as the Business Planning Manager for the Hawaii Medical Service Association. He has over fifteen years of leadership in the full lifecycle of healthcare management, technology implementation, real estate finance, and organizational change management.

Your Committee finds that Mr. Sibley has been appointed to the Health Planning Council, Windward Subarea, based on his knowledge, professional experience, and commitment to public 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, 1 (Slom).

**SCRep. 1656 Health on Gov. Msg. No. 700**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, WEST O'AHU SUBAREA

G.M. No. 700 ANDREW ANCHETA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Andrew Ancheta to possess the requisite qualifications to be nominated to the Health Planning Council, West Oahu Subarea.

Your Committee received testimony in support of Andrew Ancheta from the Department of Health and one individual.

Mr. Ancheta received Master of Public Health and Bachelor of Arts in Zoology degrees from the University of Hawaii at Manoa. He received training as an Emergency Medical Technician from The Queen's Medical Center.

Mr. Ancheta currently works for American Medical Response as the Operations Manager for Oahu, where he oversees the Communication Center. Mr. Ancheta previously served as a Clinical Research Coordinator for Radiant Research.

Your Committee finds that Mr. Ancheta's more than twenty-five years of experience in the emergency medical services industry will be an asset to the Health Planning Council, West Oahu Subarea.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.  
Ayes, 4. Noes, none. Excused, 1 (Slom).

**SCRep. 1657 Health on Gov. Msg. No. 701**

Recommending that the Senate advise and consent to the nomination of the following:

HEALTH PLANNING COUNCIL, KAUA'I SUBAREA

G.M. No. 701 TITO VILLANUEVA, for a term to expire 6-30-2017

Your Committee has reviewed the personal history and resume submitted by the nominee and finds Tito Villanueva to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Health Planning Council for the Kauai Subarea.

Your Committee received testimony in support of this nominee from the Department of Health and one individual.

Mr. Villanueva earned a Bachelor's degree in Business Management from the University of Phoenix and is a graduate of the Emergency Medical Technician Program at Kapiolani Community College. Prior to his career in emergency medical services, he was a Corpsman and Lead Petty Office Field Medic with the United States Navy.

For the past seventeen years, Mr. Villanueva has been an Emergency Medical Technician with American Medical Response and a part-time Fire Fighter. He is also American Medical Response's Operations Manager for the County of Kauai. He possesses numerous emergency medicine certifications, including Car Seat Safety Technician, CPR Instructor, and Community Emergency Response Team Instructor. Mr. Villanueva is also involved in many community organizations including the Filipino Chamber of Commerce, Kauai Filipino-American Jaycees, Kauai Paramedics Association, and King Kaumuali'i Elementary School PTSA. Mr. Villanueva's substantial experience and training in emergency medical services makes him an ideal candidate for the Kauai Subarea Health Planning 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, 1 (Slom).

**SCRep. 1658 Tourism and Hawaiian Affairs on Gov. Msg. No. 767**

Recommending that the Senate advise and consent to the nomination of the following:



ISLAND BURIAL COUNCIL, ISLAND OF HAWAII

G.M. No. 767 ELDON PATE-KAHAKALAU, for a term to expire 6-30-2016

Your Committee has reviewed the personal history, resume, and statement submitted by the nominee and finds Eldon Pate-Kahakalau to possess the requisite commitment, sincerity, dedication, and qualifications to be nominated to the Island Burial Council for the Island of Hawaii.

Your Committee received testimony in support of this nominee from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Association of Hawaiian Civic Clubs, Aukahi, and three individuals.

Mr. Pate-Kahakalau earned a Bachelor's degree in Political Science from the University of Hawaii at Hilo. He went on to earn his teaching license at the Halau Wanana Indigenous Center for Higher Learning. Mr. Pate-Kahakalau is the Co-Founder and Instructor at Kanu O Ka Aina New Century Public Charter School where he teaches Hawaiian language, history, and culture. He also serves as the Director of the Waipio Valley Taro Patch Immersion program. Before opening the charter school, Mr. Pate-Kahakalau held a number of positions teaching Hawaiian studies. He is also involved in numerous community organizations, including Aha Kane Moku o Keawe, Pa Ku'i A Holo, Pu'ukohola Council of Chiefs, and Onipa'a Na Hui Kalo.

Mr. Pate-Kahakalau previously served on the Hawaii Island Burial Council as Chairperson where he successfully handled many difficult and complex cases and has served as an interim member on the Council for the past six months. Mr. Pate-Kahakalau's exceptional leadership skills and extensive experience as a Hawaiian educator and cultural practitioner will be a significant asset to the Island Burial Council for the Island of Hawaii.

As affirmed by the record of votes of the members of your Committee on Tourism and Hawaiian Affairs that is attached to this report, your Committee, after full consideration of the background, experience, and qualifications of the nominee, has found the nominee to be qualified for the position to which nominated and recommends that the Senate advise and consent to the nomination.

Signed by the Chair on behalf of the Committee.

Ayes, 6. Noes, none. Excused, 2 (Keith-Agaran, Slom).

**SCRep. 1659 (Joint) Health and Commerce and Consumer Protection on H.C.R. No. 23**

The purpose and intent of this measure is to request the formation of a task force to develop recommendations for improving obesity prevention-related services and counseling in accordance with the implementation of the Patient Protection and Affordable Care Act.

Your Committees received testimony in support of this measure from the Department of Health, Department of Commerce and Consumer Affairs, Hawaii Pacific Health, Papa Ola Lokahi, and one individual. Your Committees received comments on this measure from one individual.

Your Committees find that obesity is a major health and economic concern for Hawaii and the nation, causing higher medical costs and lower quality of life. Adult obesity in Hawaii more than doubled between 1995 and 2009, and childhood obesity in Hawaii increased by thirty-eight percent between 1999 and 2009. Your Committees find that the passage of the Patient Protection and Affordable Care Act provides an opportunity to assess gaps in healthcare providers' ability to prevent and treat obesity in Hawaii, educate healthcare providers about reimbursable medical costs related to obesity prevention and treatment under the Patient Protection and Affordable Care Act, and encourage healthcare providers to provide services and counseling to overweight and obese patients.

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. 23, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Health

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

Commerce and Consumer Protection

Ayes, 4. Noes, none. Excused, 3 (Taniguchi, Wakai, Slom).

**SCRep. 1660 (Joint) Health and Human Services and Ways and Means on H.C.R. No. 146**

The purpose and intent of this measure is to urge the establishment of a work group to examine social determinants of health and risk adjustment for Medicaid, gap-group, and uninsured individuals.

Your Committees received testimony in support of this measure from the Department of Commerce and Consumer Affairs, Office of Hawaiian Affairs, Ohana Health Plan, Hawaii Primary Care Association, and Community Alliance for Mental Health.

Your Committees find that the health and well-being of an individual and community can be attributed to social determinants. The risk factors involved in these determinants are related to homelessness, abuse, unemployment, and poverty and can have a significant impact on the health outcomes that may not be resolved through traditional medical care. The convening of a work group with broad representation would be an effective means of addressing these social determinants, as any effort to combat the social determinants of health must be comprehensive.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Ways and Means that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 146, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

Health

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

## Human Services

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

## Ways and Means

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Espero, Slom).

**SCRep. 1661 (Joint) Health and Ways and Means on H.C.R. No. 216**

The purpose and intent of this measure is to urge the Department of Health to convene a task force to establish a stroke system of care in the State that includes a statewide stroke database and registry by December 31, 2015, among other things, and to report to the Legislature on findings and recommendations with an initial report by December 31, 2013, and a final report before the Regular Session of 2015.

Your Committees received testimony in support of this measure from the Department of Health, American Heart Association/American Stroke Association, Stroke Center at The Queen's Medical Center, and Hawaii Pacific Health.

Your Committees find that stroke is the leading cause of chronic disability among adults in the State. Rapid identification, diagnosis, and treatment of stroke can improve outcomes for stroke patients. Hawaii needs an effective system to support the rapid assessment and triage of stroke patients and provide appropriate stroke treatment in a timely manner. A stroke system of care will improve the overall care of stroke patients, increase patients' chances of survival, and decrease the incidence of long-term disabilities associated with stroke. Such a system of care is recommended in *Hawaii's Plan for the Prevention of Heart Disease and Stroke*, issued by the Department of Health in November 2011.

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 concur with the intent and purpose of H.C.R. No. 216, H.D. 1, and recommend its adoption.

Signed by the Chairs on behalf of the Committees.

## Health

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

## Ways and Means

Ayes, 9. Noes, none. Excused, 4 (Dela Cruz, English, Espero, Slom).