

## THIRTY-EIGHTH DAY

**Monday, March 24, 2014**

The Senate of the Twenty-Seventh Legislature of the State of Hawai'i, Regular Session of 2014, convened at 11:34 a.m. with the President in the Chair.

The Roll was called showing all Senators present with the exception of Senator Galuteria who was excused.

The President announced that she had read and approved the Journal of the Thirty-Seventh Day.

At this time, Senator Slom recognized Skylar Soares, a 12-year-old recipient in the Make-A-Wish Foundation of Hawaii who was also named 2013 Entrepreneur of the Year by *Hawaii Business* magazine for realizing her dream of starting her own business, HiSky, a hat retailer that also teaches others about the importance of sun safety to prevent cancer. Senator Slom also introduced the following members of her family who accompanied her in the gallery: father Stephen Soares, mother Irma Baptiste, siblings Kalei and Kala'i, and grandparents Josie Baptiste and Eddie Coronel.

Senator Slom then recognized and congratulated the United States Small Business Administration's 2014 Small Business Award Recipients for the State of Hawai'i, and presented the following remarks:

"It's my lucky day, Madam President. We are very fortunate today and this week to honor businesspeople as part of the United States Small Business Administration annual awards. This is a program that I've had a pleasure and an honor to be part of for many years. Every year, they have inductees and they have an awards luncheon, and it is something that is really important to the community. You know, lots of times we give lip service to just how important businesspeople are. Yes, we small business people, particularly, represent 95 percent of all businesses in Hawai'i. Yes, small business people and businesspeople are the foundation of our economy, but only once a year do we actually recognize them, and the rest of the time we're too busy regulating, taxing, prohibiting, and mandating. So, it's a wonderful time to introduce folks, and this has been going on since 1963, when the President of the United States issued a proclamation announcing National Small Business Week, and it recognizes the contributions of all American entrepreneurs and all small business owners.

"So, as part of National Small Business Week, the U.S. SBA honors outstanding entrepreneurs, business owners, and others from all 50 states. And we've been really blessed because we had several of our winners from Hawai'i go on to become national winners. The SBA Small Business Awards are the most prestigious small business honors in the state, and the Hawai'i district manages the selection of Hawai'i's top small business owners, entrepreneurs, and advocates. The nominees are evaluated on their business acumen and leadership, giving back to the community, and many things that they do. So, today we honor them, and we have a wonderful group of awardees."

Senator Kidani recognized Joni Redick-Yundt, Minority Small Business Champion of the Year, and presented the following remarks:

"Thank you. Joni Redick-Yundt is the 2014 Minority Small Business Champion of the Year. This award honors individuals who have fulfilled a commitment to support and assist minority entrepreneurs and small business owners; demonstrated efforts to improve conditions in the minority small business community; volunteered to advance minority small business interests within the community, state, and/or nation; and

advised minority business groups of opportunities within the overall business community.

"Joni is CEO and founder of the Filipino American Multi Ethnic Society, a nonprofit organization committed to mentoring, educating, motivating, and engaging in leadership development for entrepreneurs and business owners. Joni also produces and hosts *The Joni Show* on 'Ōlelo with the goal of educating and inspiring others in business and community service and has been highly successful in connecting small business owners to needed resources. Congratulations, Joni.

"Accompanying Joni today in the gallery, we have Josephine Alonso and Central Pacific Bank nominator Lawrence Pai."

Senator Chun Oakland congratulated Kathryn Custer, Young Entrepreneur of the Year, and presented the following remarks:

"Thank you, Senator Kidani. Thank you, Senate President. Kathryn is the founder of Keiki Sitters. She is the Young Entrepreneur of the Year. The award honors individuals who have demonstrated strong entrepreneurial and business skills through the successful ownership and operation of a small business for at least three years before reaching age 30; who increased jobs; developed and utilized innovative and creative business methods; and demonstrated entrepreneurial potential for long term success.

"Kathryn founded Keiki Sitters in 2008 to provide comprehensive babysitting services for children from newborns to age 13, and targeted three distinct client groups that include tourist families at hotels, military families on bases, and local families. Unlike traditional nanny agencies, Keiki Sitters is a mobile service that is largely website-based and automated for a user-friendly, reliable booking process. Keiki Sitters employs over 495 caregivers, who have tended to over 5,000 children annually in individual or group settings. Kathryn, as a young entrepreneur, exemplifies all the attributes necessary for long term success. Congratulations, Kathryn.

"Joining us today in the gallery is Kathryn's father David. Congratulations."

Senator Espero recognized David Erdman, Small Business Person of the Year, and presented the following remarks:

"Thank you. At this time, ladies and gentlemen, colleagues, please welcome David Erdman, this year's Small Business Person of the Year. David is the president and CEO of PacRim Marketing Group.

"The Small Business Person of the Year is recognized for developing an outstanding growing business, increasing sales, innovations in products or services, responses to adversity, and contributions to community-oriented projects.

"PacRim Marketing Group was founded 24 years ago to help bridge the cultural gap and gain market entry for companies in Hawai'i that seek to do business in Japan, China, Korea, and other Pacific Rim nations. David is an industry expert, having led a team of 46 dedicated marketing, public relations, and IT staff to develop PR Tech, an online platform to facilitate marketing and sales in Asian languages. PR Tech is a groundbreaking technology that develops customized multilingual software and websites using the latest technologies.

"Again, congratulations to Mr. David Erdman, Small Business Person of the Year.

"And in the gallery, we have Dave's daughter, Mari; his nominator, Mel Racadio of Central Pacific Bank; and joining

David in the gallery are also team members from PacRim and PR Tech. Please rise and be recognized. Aloha.”

Senator Hee congratulated Cynthia Yamasaki, Women in Business Champion of the Year, and presented the following remarks:

“Thank you, Madam President. Colleagues, I’d like to introduce the Women in Business Champion of the Year, Cynthia Yamasaki.

“The Women in Business Champion of the Year award honors individuals who have, as advocates for women entrepreneurs, fulfilled a commitment to the advancement of women’s business ownership; through their efforts, increased business and financial opportunities for women; provided legal, financial, or managerial assistance to enhance women’s business ownership; and helped to improve the environment for the creation and expansion of women-owned businesses.

“Cynthia’s efforts to increase business and financial opportunities for women date back many years and include establishing and facilitating a group called Enterprising Women Entrepreneurs for Training and Networking. With more than 30 years of experience in organizational management, training, and finance, and a fervor and enthusiasm for helping women realize their potential and success in business, Cynthia started and organized the women’s business center with SBA funding. She understands the significant benefit derived from leveraging resources and frequently arranges events and activities to connect resource providers and various women’s groups.

“Members, if you would join me in congratulating the Women in Business Champion of the Year, Cynthia Yamasaki.

“May I also recognize in the gallery small business owners Sloane Ketcham and Valerie Kubota who, like Cynthia, are also Mink Center advocates.”

Senator Ige recognized Naomi Masuno, Financial Services Champion of the Year, and presented the following remarks:

“Yes, Madam President, it’s an honor and privilege for me to be able to introduce Naomi Masuno. Naomi is the Financial Services Champion of the Year. She is a vice president with Bank of Hawaii.

“The Financial Services Champion award honors individuals who assist small businesses through advocacy efforts to increase the usefulness and availability of accounting and financial services to small businesses, advocate changes in the financial services industry to assist small firms, encourage the flow of investment capital to small businesses, and actively support legislative or regulatory action designed to help small firms.

“Naomi for more than two decades has consistently demonstrated her true passion for championing the cause of small businesses and their success, and as an ardent advocate for access to capital, has been among the top SBA lending officers in the state. With a highly successful career as a small business banking professional, Naomi has connected small business owners with consulting, support, training, and financing tools in her commitment to improve the small business climate in Hawai‘i. Thank you, Naomi, for your service.

“Joining us today in the gallery are her husband, Dean Masuno; and Julie Purcell, 21st Century marketing instructor.”

Senator Keith-Agaran congratulated Michael Nobriga and Maui Soda and Ice Works, Family-Owned Business of the Year, and presented the following remarks:

“Thank you, Madam President. It’s my pleasure to introduce the recipients of the Family-Owned Business of the Year, Michael Nobriga and Maui Soda and Ice Works.

“The Small Business Family-Owned Business of the Year honors family-owned business with more than a 15-year history that have passed ownership and operations from one generation to another, have increased employment opportunities for family and non-family, demonstrated potential necessary for long term business success and economic growth, and volunteered to help strengthen family-owned businesses within the community.

“Manuel Nobriga acquired Maui Soda and Ice Works in 1941 and was a driving force that added ice cream – now known as Roselani – to the product line and exploring other frozen food and beverage offerings. Under Nobriga family members Michael, the eldest in the overall leadership role; Cathy of Roselani Ice Cream; David of fleet maintenance; Robert of trucking and receiving; and Jay of warehouse and distribution, the state-of-the-art company is today recognized as one of the best run and most community-oriented companies in Hawai‘i.

“Let’s have a round of applause for Maui Soda and Ice Works.

“Today, we have in the gallery Michael’s father, Buddy; sister Cathy and brother Jay; and Curtis Tom, nominator from Bank of Hawaii. Please stand and be recognized.”

Senator Slom recognized Jingbo and Wendy Chang, Small Business Entrepreneurial Success of the Year, and presented the following remarks:

“Thank you, Madam President. I’d like to recognize Jingbo and Wendy Chang, please; let’s give them a round of applause. They are the Small Business Entrepreneurial Success Stories for 2014. The Entrepreneurial Success of the Year award recognizes businesses for staying power in having established a business which includes sustained expansion, steady growth, and increased net worth. These are businesses that started small and developed into large businesses with the assistance of the U.S. Small Business Administration.

“Jingbo and Wendy of Pacific Commercial Services is a company with over 100 years of combined experience in the environmental industry specializing in the hazardous, toxic, and radioactive waste management and site remediation. They focus on strong client relationships by providing high quality support with full commitment. The company has seen millions in revenue growth and is able to execute large contracts on time and on budget – something the state could use – and has won multiple awards and recognition for excellent performance. Jingbo and Wendy Chang.

“In the gallery are the parents and son Timothy. Thank you very much.”

Senator Slom then congratulated Raymond Jardine, Jr., Veteran Small Business Champion of the Year, and presented the following remarks:

“I’m also pleased to commend Raymond Jardine, Jr. Raymond is chairman and CEO of Native Hawaiian Veterans, and is the Veteran Small Business Champion of the Year. The Veteran Small Business Champion of the Year award honors those individuals who have fulfilled commitment in advertising small business opportunities for veterans, and who have fulfilled a commitment in the community. He works with veterans of the U.S. armed forces, advocated for special consideration for veteran-owned small businesses, advised and improved awareness among veterans groups of small business opportunities, and increased opportunities overall for veterans.

“Raymond has been an active champion for Service-Disabled Veterans, the SDV, and Veteran-Owned Small Businesses, VOSB, in Hawai’i and nationwide. He has served on various veterans business organizations, offering recommendations and shaping actions for veteran improvement impacting disabled and minority veterans. Raymond is committed to mentoring and subcontracting to other SDV and VOSB firms, as well as advocating for laws and regulations to support veterans. Raymond Jardine, Jr.

“In the gallery to support Raymond are his wife, Loretta; Lieutenant Colonel (Retired) Kirk Durante, president of Native Hawaiian Veterans; Brigadier General (Retired) David Cooper, president of Hana Group; and Colonel (Retired) Mike Rollins, president of HBC. Thank you all and thank you, Ray, for everything you do.”

Senator Taniguchi recognized Jorma Winkler, Small Business Exporter of the Year, and presented the following remarks:

“Thank you, Madam President. Jorma Winkler, founder of Winkler Woods, is the Small Business Exporter of the Year.

“The Small Business Exporter of the Year is recognized for significantly increasing export sales and profits, increasing jobs through exports, encouraging other firms to export, and creating markets through innovative methods.

“Jorma founded Winkler Woods to supply exotic Hawaiian woods like koa, mango, and ‘ōhi’a in lumber and veneer to customers around the world. He has played a key role in establishing the export market for raw woods for the musical instruments market, specifically ‘ukuleles – they’ll potentially be our state instrument – in China, Indonesia, Korea, Japan, Vietnam, and Mexico, among others. He has overcome the logistical challenges of manufacturing in an island state by establishing a major facility here in Honolulu and developing relationships with air cargo companies and working with trade and small business organizations on export-related problems. Another round of applause for Jorma Winkler.

“Accompanying him today are his wife, Yuko, who I believe is in the gallery, and Bank of Hawaii nominator Naomi Masuno, herself an award winner who is on the floor.”

Senator Thielen congratulated Terrina Wong, Home-Based Business Champion of the Year, and presented the following remarks:

“Thank you, Madam President. It gives me great honor today to introduce Terrina Wong. Terrina Wong is the deputy director of Pacific Gateway Center, and she is being honored today as the Home-Based Business Champion of the Year.

“This award honors individuals who have experienced the rewards and difficulties of owning a home-based business and have worked voluntarily to improve the climate for other home-based businesses; have volunteered their time and energy to improve conditions for home-based businesses; engaged in entrepreneurial training, policy development, and financial or business planning specifically tailored for home-based businesses; and initiated public policy or expansion of a program.

“Ms. Wong is a former home-based business owner herself, and she’s incorporated her experience and skills to encourage and support clients in increasing knowledge and use of resources, marketing, and sales through her programs at the Pacific Gateway Center. She has assisted community farmers to lease land and sell produce to food distributors and farmers’ markets; she’s introduced home-based craftsmen to galleries and retail outlets; and worked tirelessly to ensure the reliable deliverance of services through the retail and kitchen incubator

programs, job training, agricultural initiatives, and workforce development.

“I’m delighted to celebrate Terrina Wong’s award today because I am a former home-based business owner, where I ran my business for five years. I can tell you in addition to the resources and skills, that she’s also providing a very, very important factor – a shoulder for a home-based business owner to lean on for support in all the work that they do. So, please join me in celebrating Terrina Wong, our Home-Based Business Champion of the Year.

“And in the gallery, I believe we have Terrina’s husband, Michael; and son, Randy; and also the Bank of Hawaii nominator, Stephanie Chan.”

Senator Dela Cruz introduced Jane Sawyer, district director for the United States Small Business Administration who coordinated the award presentation.

At 12:01 p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 12:08 p.m.

#### DEPARTMENTAL COMMUNICATION

The following communication (Dept. Com. No. 81) was read by the Clerk and was placed on file:

Dept. Com. No. 81, from the Office of the Auditor dated March 18, 2014, transmitting the FY2013 financial statement audit reports for the Department of Accounting and General Services State Motor Pool Revolving Fund and State Parking Revolving Fund, and the Oahu Metropolitan Planning Organization.

#### STANDING COMMITTEE REPORTS

Senator Taniguchi, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3083) recommending that S.C.R. No. 128, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 128, S.D. 1, entitled: “SENATE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII TO CREATE A TASK FORCE TO DEVELOP A PLAN TO INCREASE THE NUMBER OF STUDENTS IN SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS MAJORS RELEVANT TO INDUSTRY DEMANDS IN HAWAII,” was referred to the Committee on Ways and Means.

Senator Taniguchi, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3084) recommending that S.R. No. 13 be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 13, entitled: “SENATE RESOLUTION URGING THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII NOT TO RAISE STUDENT FEES TO BALANCE THE BUDGET OF THE UNIVERSITY OF HAWAII ATHLETICS DEPARTMENT OR BUDGET DEFICIT OF ANY OTHER DEPARTMENT OF THE UNIVERSITY OF HAWAII,” was referred to the Committee on Ways and Means.

Senator Taniguchi, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3085) recommending that S.C.R. No. 38 be referred to the Committee on Ways and Means.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 38, entitled: "SENATE CONCURRENT RESOLUTION URGING THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII NOT TO RAISE STUDENT FEES TO BALANCE THE BUDGET OF THE UNIVERSITY OF HAWAII ATHLETICS DEPARTMENT OR BUDGET DEFICIT OF ANY OTHER DEPARTMENT OF THE UNIVERSITY OF HAWAII," was referred to the Committee on Ways and Means.

Senator Hee, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3086) recommending that H.B. No. 1604, H.D. 2 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and H.B. No. 1604, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Second Reading and was placed on the calendar for Third Reading on Tuesday, March 25, 2014.

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 3087) recommending that H.B. No. 2482, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and H.B. No. 2482, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 2014.

Senator Wakai, for the Committee on Technology and the Arts, presented a report (Stand. Com. Rep. No. 3088) recommending that H.B. No. 2573, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and H.B. No. 2573, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE INSTRUMENT," passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 2014.

#### ORDER OF THE DAY

##### THIRD READING

H.B. No. 2320, H.D. 1, S.D. 1:

On motion by Senator Green, seconded by Senator Baker and carried, H.B. No. 2320, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Galuteria, Hee).

H.B. No. 1678, H.D. 1, S.D. 1:

On motion by Senator Wakai, seconded by Senator Solomon and carried, H.B. No. 1678, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23; Ayes with Reservations (Ihara). Noes, none. Excused, 2 (Galuteria, Hee).

H.B. No. 2656, H.D. 1, S.D. 1:

On motion by Senator Baker, seconded by Senator Taniguchi and carried, H.B. No. 2656, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Galuteria, Hee).

#### ADJOURNMENT

At 12:10 p.m., on motion by Senator Espero, seconded by Senator Slom and carried, the Senate adjourned until 11:30 a.m., Tuesday, March 25, 2014.