

FORTY-SECOND DAY

Monday, March 31, 2014

The Senate of the Twenty-Seventh Legislature of the State of Hawai'i, Regular Session of 2014, convened at 11:37 a.m. with the President in the Chair.

The Roll was called showing all Senators present.

The President announced that she had read and approved the Journal of the Forty-First Day.

At this time, Senator Galuteria recognized the Washington Middle School MathCounts Team for taking top honors at the 2014 Oahu Regional MathCounts Competition for the fourth year in a row. Senator Galuteria noted that the team would be competing at the national level in Florida, and introduced the following coaches, team members, and supporters who were present in the gallery: coaches Sung Park and Candace Ewell; team members Kent Kiyama, Kenny Thai, Neopold Ko, Jason Cho, Edward Requilman, Christine Ha, Jay Park, Anya Wu, Kenso Kume, and Misato Nasu; Washington Middle School Principal Michael Harano; and McCully-Mō'ili'ili Neighborhood Board Chair Ron Lockwood.

Senator Galuteria extended additional congratulations to the Washington Middle School Chess Club, who recently won first place at the 2014 State Scholastic Championships for the second year in a row.

Senator Shimabukuro congratulated Partners in Development Foundation's Ka Pa'alana Homeless Family Education Program on receiving full accreditation from the National Association for the Education of Young Children, and presented the following remarks:

"Thank you, Madam President. Aloha and good morning. On March 13, 2013, Partners in Development Foundation's Ka Pa'alana Homeless Family Education Program received full accreditation from the world's first and foremost recognized early childhood agency for excellence in education: the prestigious National Association for the Education of Young Children (NAEYC). In doing so, Partners in Development Foundation's Ka Pa'alana Program became the first program of its kind in the nation to receive full NAEYC accreditation.

"The mission of Partners in Development Foundation is to inspire and equip families and communities for success and service using timeless Native Hawaiian values and traditions. In 2007, Partners in Development Foundation recognized the need to work with the ever-increasing homeless population along the Leeward Coast. Particularly disturbing was the large amount of homeless families with young children. To address this issue, Partners in Development Foundation created the Ka Pa'alana Traveling Preschool and Homeless Family Education Program. Since then, Ka Pa'alana has assisted in transitioning 325 families from the beach to shelter and distributed over 50 tons of food and life necessities. Annually, over 900 children ages 5 and under and their caregivers receive service, and over 100 clients receive assistance in obtaining employment, including 7 who work at Ka Pa'alana as teachers, teaching assistants, and outreach assistants.

"I'd like to introduce our special guests today; could you please hold your applause until all are introduced. Representing Partners in Development Foundation (PIDF) and Ka Pa'alana here today are: Alison Masutani, vice president of operations, PIDF; Danny Goya, program manager, PIDF; Terry Nakamura, family literacy coordinator; Stacey Kauka, assistant program manager; Sweets Wright, parent educator; Kasey Galariada, lead teacher, HOPE School; and Cheryl Kekumu, currently a

teacher at PIDF's Mā'ili Land site and a former program participant.

"Also in the gallery is Danny's family: his wife, Jamie, and his daughters, Autumn and Cassidy. Can we give a round of applause for these outstanding people?"

At 11:44 a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:51 a.m.

MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 688 to 707) were read by the Clerk and were disposed of as follows:

Gov. Msg. No. 688, letter dated March 28, 2014, correcting the term for the nomination to Gov. Msg. No. 648, Gubernatorial Nominee to the Kokee State Park Advisory Council, DAVID ALEXANDER, term to expire amended to June 30, 2017, was placed on file.

Gov. Msg. No. 689, submitting for consideration and confirmation to the Board of Agriculture, the nomination of JERRY ORNELLAS, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 690, submitting for consideration and confirmation to the Board of Agriculture, the nomination of MICHELLE GALIMBA, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 691, submitting for consideration and confirmation to the Stadium Authority, the nomination of MICHAEL IOSUA, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 692, submitting for consideration and confirmation to the Stadium Authority, the nomination of LAWRENCE KUMABE, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 693, submitting for consideration and confirmation to the Board of Directors of the Hawaii Housing Finance and Development Corporation, the nomination of PAUL KYNO, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 694, submitting for consideration and confirmation to the Board of Directors of the Hawaii Tourism Authority, the nomination of ROBERT HERKES, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 695, submitting for consideration and confirmation to the Board of Directors of the Hawaii Tourism Authority, the nomination of RANDOLPH PERREIRA, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 696, submitting for consideration and confirmation to the Board of Directors of the Hawaii Tourism Authority, the nomination of DONNA DOMINGO, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 697, submitting for consideration and confirmation to the Board of Directors of the Hawaii Tourism Authority, the nomination of DENISE YAMAGUCHI, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 698, submitting for consideration and confirmation to the Cable Advisory Committee, the nomination of TIMOTHY BRYAN, term to expire June 30, 2015, was deferred.

Gov. Msg. No. 699, submitting for consideration and confirmation to the Contractors License Board, the nomination of DANNY MATSUOKA, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 700, submitting for consideration and confirmation to the Hawaiian Homes Commission, the nomination of DAVID KAAPU, term to expire June 30, 2017, was deferred.

Gov. Msg. No. 701, submitting for consideration and confirmation to the Board of Directors of the Hawaii Public Housing Authority, the nomination of GILBERT DE MOTTA, term to expire June 30, 2015, was deferred.

Gov. Msg. No. 702, submitting for consideration and confirmation to the Land Use Commission, the nomination of EDMUND ACZON, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 703, submitting for consideration and confirmation to the Commission on Water Resource Management, the nomination of MICHAEL BUCK, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 704, submitting for consideration and confirmation to the Board of Land and Natural Resources, the nomination of STANLEY ROEHRIG, term to expire June 30, 2018, was deferred.

Gov. Msg. No. 705, submitting for consideration and confirmation to the Board of Land and Natural Resources, the nomination of THOMAS OI, term to expire June 30, 2016, was deferred.

Gov. Msg. No. 706, submitting for consideration and confirmation to the Board of Education, the nomination of DONALD HORNER, term to expire June 30, 2017, was deferred.

Gov. Msg. No. 707, submitting for consideration and confirmation to the Board of Education, the nomination of JAMES WILLIAMS, term to expire June 30, 2017, was deferred.

HOUSE COMMUNICATION

The following communication from the House (Hse. Com. No. 393) was read by the Clerk and was placed on file:

Hse. Com. No. 393, informing the Senate that on March 28, 2014, the House disagreed to the amendments proposed by the Senate to the following bills:

H.B. No. 2482, H.D. 1 (S.D. 1); and
H.B. No. 2573, H.D. 1 (S.D. 1).

STANDING COMMITTEE REPORTS

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 3151) recommending that H.B. No. 1881, S.D. 1 pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 3151 and H.B. No. 1881, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CENTER FOR NURSING," was deferred until Tuesday, April 1, 2014.

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 3152) recommending that H.B. No. 2142 pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 3152 and H.B. No. 2142, entitled: "A BILL FOR AN ACT

RELATING TO POST-SECONDARY EDUCATION," was deferred until Tuesday, April 1, 2014.

Senator Wakai, for the Committee on Technology and the Arts, presented a report (Stand. Com. Rep. No. 3153) recommending that S.C.R. No. 88 be adopted.

By unanimous consent, action on Stand. Com. Rep. No. 3153 and S.C.R. No. 88, entitled: "SENATE CONCURRENT RESOLUTION APPROVING THE SELECTION OF DANNY KALEIKINI TO BE INDUCTED INTO THE ALOHA ORDER OF MERIT," was deferred until Tuesday, April 1, 2014.

Senator Taniguchi, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 3154) recommending that the Senate advise and consent to the nominations to the Board of Regents of the University of Hawaii of the following:

STANFORD YUEN, in accordance with Gov. Msg. No. 586;

LEE PUTNAM, in accordance with Gov. Msg. No. 587;

JEFFREY PORTNOY, in accordance with Gov. Msg. No. 588;

JEFFREY PORTNOY, in accordance with Gov. Msg. No. 589; and

MICHELLE TAGORDA, in accordance with Gov. Msg. No. 590.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3154 and Gov. Msg. Nos. 586, 587, 588, 589, and 590 was deferred until Thursday, April 3, 2014.

Senator Espero, for the Committee on Public Safety, Intergovernmental and Military Affairs, presented a report (Stand. Com. Rep. No. 3155) recommending that H.B. No. 2560, H.D. 2, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 3155 and H.B. No. 2560, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FAMILY CHILD CARE HOMES," was deferred until Wednesday, April 2, 2014.

Senator Baker, for the Committee on Commerce and Consumer Protection, presented a report (Stand. Com. Rep. No. 3156) recommending that H.B. No. 2099, H.D. 1, as amended in S.D. 1, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 3156 and H.B. No. 2099, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES," was deferred until Wednesday, April 2, 2014.

Senators Gabbard, Dela Cruz, and Wakai, for the Committee on Energy and Environment and the Committee on Economic Development, Government Operations and Housing and the Committee on Technology and the Arts, presented a joint report (Stand. Com. Rep. No. 3157) recommending that H.B. No. 1903, H.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 joint report of the Committees was adopted and H.B. No. 1903, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OUTDOOR HERITAGE MONTH," passed Second Reading and was placed on the calendar for Third Reading on Tuesday, April 1, 2014.

ORDER OF THE DAY

AGREE/DISAGREE

**MATTERS DEFERRED FROM
FRIDAY, MARCH 28, 2014**

S.B. No. 2094, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 2094, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO COMPUTER DAMAGE," was deferred until Tuesday, April 1, 2014.

S.B. No. 3107, S.D. 1 (H.D. 1):

By unanimous consent, action on S.B. No. 3107, S.D. 1 (H.D. 1), entitled: "A BILL FOR AN ACT RELATING TO THE STATE INSTRUMENT," was deferred until Tuesday, April 1, 2014.

ADVISE AND CONSENT

Stand. Com. Rep. No. 3146 (Gov. Msg. Nos. 517 and 518):

Senator Shimabukuro moved that Stand. Com. Rep. No. 3146 be received and placed on file, seconded by Senator Hee and carried.

Senator Shimabukuro then moved that the Senate advise and consent to the nominations to the Island Burial Council, Island of Hawaii of the following:

FRED CACHOLA, JR., term to expire June 30, 2017 (Gov. Msg. No. 517); and

KALENA BLAKEMORE, term to expire June 30, 2015 (Gov. Msg. No. 518),

seconded by Senator Hee.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

ADOPTION OF RESOLUTIONS**MATTERS DEFERRED FROM
FRIDAY, MARCH 28, 2014**

Stand. Com. Rep. No. 3147 (S.C.R. No. 82):

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 82, entitled: "SENATE CONCURRENT RESOLUTION DESIGNATING JULY 20, 2014, AS "TRANQUILITY BASE DAY" IN HAWAII TO HONOR THE FORTY-FIFTH ANNIVERSARY OF THE APOLLO 11 LUNAR LANDING AT TRANQUILITY BASE AND URGING THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION TO INCLUDE TRANQUILITY BASE AND ASSOCIATED ARTIFACTS ON THE WORLD HERITAGE LIST," was adopted.

Stand. Com. Rep. No. 3148 (S.R. No. 39):

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.R. No. 39, entitled: "SENATE RESOLUTION DESIGNATING JULY 20, 2014, AS "TRANQUILITY BASE DAY" IN HAWAII TO HONOR THE FORTY-FIFTH ANNIVERSARY OF THE APOLLO 11 LUNAR LANDING AT TRANQUILITY BASE AND URGING THE UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION TO INCLUDE TRANQUILITY BASE AND ASSOCIATED ARTIFACTS ON THE WORLD HERITAGE LIST," was adopted.

Stand. Com. Rep. No. 3149 (S.C.R. No. 84):

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and S.C.R. No. 84, entitled: "SENATE CONCURRENT RESOLUTION URGING THE UNITED STATES CONGRESS TO RESTORE THE PRESUMPTION OF A SERVICE CONNECTION FOR AGENT ORANGE EXPOSURE TO UNITED STATES VETERANS WHO SERVED IN THE WATERS DEFINED BY THE COMBAT ZONE AND IN THE AIRSPACE OVER THE COMBAT ZONE IN VIETNAM," was adopted.

Stand. Com. Rep. No. 3150 (H.C.R. No. 33, H.D. 1):

On motion by Senator Espero, seconded by Senator Slom and carried, the report of the Committee was adopted and H.C.R. No. 33, H.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE PRESIDENT OF THE UNITED STATES AND THE SECRETARY OF DEFENSE TO ALLOW "FLYOVERS" TO HONOR AND RECOGNIZE ARMED FORCES DAY, MEMORIAL DAY, VETERANS DAY, AND THE ANNIVERSARY OF PEARL HARBOR," was adopted.

THIRD READING

H.B. No. 1604, H.D. 2, S.D. 1:

On motion by Senator Hee, seconded by Senator Shimabukuro and carried, H.B. No. 1604, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1618, H.D. 1, S.D. 1:

On motion by Senator Solomon, seconded by Senator Shimabukuro and carried, H.B. No. 1618, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPOSITION OF THE BOARD OF LAND AND NATURAL RESOURCES," having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

H.B. No. 1700, H.D. 1, S.D. 1:

Senator Ige moved that H.B. No. 1700, H.D. 1, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Kidani.

Senator Ige rose to speak in support of the measure as follows:

"Thank you. Madam President, before proceeding I would like to thank the members of the Senate Ways and Means Committee for their insights, assistance, and support in formulating this Senate draft. It is a product of the committee members, as well as other senators, that I believe we can take pride in. I would also like to acknowledge the work of the Senate Ways and Means staff. They were shy to be here this morning, but I did want to acknowledge them. As you know, Budget Chief Rod Becker and his staff have always done yeoman work in analyzing and reviewing the budget to ensure that the Senate can put forth something that we can all be proud of.

"As you know, because of the budget situation and the recent lower tax projections, the committee has formulated this Senate draft with an extra measure of prudence, sense of responsibility, good judgment, and willingness to make difficult decisions amongst the many competing demands.

“Members, I would also like to note that this is the earliest that we could find that the budget has been decked and that we’re bringing this measure forward for final reading in the State Senate. The chair and the members of the committee felt it most important with the changing fiscal situation that we provide for additional time in conference so that we can work with the House and the administration to arrive at a final budget and financial plan that provides for a sustainable future, that makes important strategic decisions and investments, that really moves our community forward.

“The Senate draft reduces the operating budget request submitted by the administration. For fiscal year 2015, the Senate draft appropriates \$105 million in all funds and \$41.4 million in general funds. Furthermore, the Senate draft reduces the appropriation for the current fiscal year, FY 13-14, by \$92.5 million, the bulk of which is in general funds.

“We have been very prudent and aggressive in reducing appropriations. We’ve identified appropriations to lapse in the current fiscal year because we felt it was very important to balance the budget and the financial plan on a going-forward basis. You know, this includes reviewing all of the provisos and we have identified \$7 million in general funds provided in proviso, which we chose to lapse in this draft so that those funds would be available as we pursue and prepare the financial plan on a going-forward basis.

“To reduce the general fund appropriations for the current fiscal year, the Senate has also repealed a number of appropriations and we’ve initiated a number of measures going through special funds and lapsing those programs as well. With these reductions, the Senate draft, the executive budget for the fiscal biennium now amounts to \$11.7 billion in all funds and \$5.9 billion in general funds for fiscal year 2014, and \$12 billion in all funds and \$6.1 billion in general funds for fiscal year 2014-2015.

“In the interest of full disclosure, please note that a portion of the \$158 million general fund reduction in fiscal year 2014 is taken from programs that the Senate intends to fund in separate bills. A reduction has been made of \$33.5 million in the University of Hawai‘i for the employment costs because the Senate has passed S.B. No. 2816, which appropriates to the university the same amount for the same purpose. Reductions have also been made to the supplemental request for the Hawaii Invasive Species Council – which, as you know, is a priority of the Senate – Kupuna Care, and other senior citizens’ programs. The Senate has passed the joint majority package bills appropriating funds for all of these purposes. Despite the cutbacks from the administration’s supplemental budget request, this Senate draft funds most of the highest priorities of the executive budget and, more importantly, priorities for the Senate.

“Preparation for this austere supplemental budget began long before the convening of the Regular Session of 2014. From monitoring actual monthly tax collections, the possibility of a potential shortfall of general fund revenues in fiscal year 2013 and 2014 became apparent. Actual general fund tax revenues from the beginning of the fiscal year lagged the projected growth rates of the Council on Revenues. The Council on Revenues also apparently was concerned about the pace of collections and other economic factors. Since September 2013, the Council on Revenues lowered its general fund tax revenue projections twice. On January 7, the council met as required by law and reduced the projection for FY 13-14 from 4.1 to 3.3 percent. Subsequent tax collections indicated the holiday season did not reverse the tax collections and the revenue further declined.

“In this financial backdrop, the Council on Revenues met again on March 11. As expected, the council reduced the

projected general fund tax revenue growth for fiscal year 13-14. Unexpected, however, was the magnitude of the reduction, from 3.3 percent to 0.0 percent for the current fiscal year, from 7.4 percent to 5.5 percent for fiscal year 2014-2015, and from 7.7 percent to 5 percent for fiscal year 2015-2016. Obviously, the council’s reduced projections resulted in a major decrease of general fund revenues expected in this and the next fiscal biennium. The projected revenue loss is \$189.5 million for fiscal year 13-14 and \$302.3 million for fiscal year 14-15. The projected revenue loss for the next fiscal biennium is even more staggering and, frankly, extremely alarming: \$484.9 million for fiscal year 15-16 and \$502 million for fiscal year 16-17. On a cumulative basis, the administration and Legislature is projected to have almost \$1.5 billion less in general fund revenues to spend for fiscal year 2016-2017.

“In whatever action we take going forward during this session, we must always be mindful of the decision making of the dismal budget and fiscal situation of the State of Hawai‘i. For this and the next fiscal biennium, state government is expected to experience negative revenues over expenditures; that is, state government will spend more than it takes in. Our annual budget will be balanced by the carryover surplus of \$844 million that we struggled to achieve in the aftermath of the Great Recession. We are facing much difficulty in the future that should not be compounded by unwise and irresponsible actions taken today. We must recognize that state government cannot fund all things for all people. We should not raise the expectations of the state departments, nonprofit organizations, special interests, and others that demand or request more funds and tax breaks from the Legislature. In sum, we must exercise fiscal restraint and responsibility.

“Although this Senate draft is austere, it funds many programs of high priority of the Senate and executive departments. Major programs, general funds for which are appropriated, include the following. We have made a priority of the Department of Education and the University of Hawai‘i and those safety net programs for those unable to provide for themselves.

“For the Department of Education, we are appropriating \$15 million for the weighted student formula. Members, this will assure that each and every school in our community will receive additional funds from this budget. In addition, we’ve provided \$2 million for the Strive HI school performance improvement system, which is critical for the completion of the Race to the Top project. In addition, we are restoring much-needed funds for the school athletics program across the state. As you know, members, these provide opportunities for many students who would not be engaged in school throughout the school year and I think, more importantly, it gives them an incentive to stay engaged and ensure academic progression throughout the school year.

“We have also made a commitment to the early learning program. We are funding more and covering more students who would otherwise be left out as we change the starting date of enrollment for many across the public school system. We are providing \$5.7 million for early learning pilot projects, including pre-kindergarten and family-child interactive learning projects.

“For the Department of Human Services, we’re adding \$5.5 million for the Pre-Plus Program to ensure that more students who are impacted by the change in the starting school date can be accommodated in the program. We are also providing \$3 million for Preschool Open Doors and \$1.5 million for the successful Housing First Program that provides some opportunity for dealing with the homeless.

“For the Department of Health, we are providing \$3.2 million for home- and community-based services waiver

for the developmentally disabled and \$1.2 million for the early intervention services. We provide additional funds for the Hawaii Health Systems Corporation to help balance their budget and continue to provide quality healthcare services for our communities.

“For the Department of Land and Natural Resources, we do provide \$1.5 million in additional funds for the conservation and resource enforcement unit so that they can better protect our environment, and \$2.5 million additional funds for the watershed program.

“For the Department of Public Safety, we are providing a lump sum amount to allow them to further implement the Justice Reinvestment Initiative, targeted at reducing the population and bringing more prisoners home. In addition, we are responding to the concern about the mental health care provided to prisoners and to improve the suicide and hospital watch programs in light of the suicides that have occurred in the public safety system.

“And for the University of Hawai‘i, in addition to the \$33.5 million to cover the incremental UHPA contract, we are providing funds and positions to the University of Hawai‘i – West O‘ahu so that they can deal with the significant student enrollment increases.

“Overall, Madam President, I believe that this budget is prudent and austere, but most importantly, makes key investments in those programs that advance our community forward. I would encourage all of my colleagues to vote in support of this measure. Thank you.”

Senator Kidani rose to speak in support of the measure as follows:

“In comparison, our two-year biennium for the CIP budget: We took out \$287 million in A funds, cash money, so that we could restore it for use in the operating budget, some of which was replaced with general obligation bonds. The Senate draft is \$46 million higher than the executive budget request in comparing general funds and GO bonds, but \$703 million less in comparing to the executive budget with all means of financing.

“And to continue further discussion, there are placeholders for about \$50 million or so that was requested in the Governor’s Messages for which funding was not previously requested. We have lapses of over \$50 million total, \$30.75 million of which are GO bonds.

“Highlights of the budget include: the University of Hawai‘i College of Pharmacy CIP was returned to the budget, including the UH West O‘ahu Allied Health administration building, which was also cut – that was restored; the Honolulu Community College science building. There was restoration to the cuts made to the University of Hawai‘i health and safety funding and also the R&M funding.

“With regard to the DOT, the Department of Transportation, there was reduced funding in all areas for new projects plus additional appropriations to existing projects. The revenue bonds were reduced by \$430 million from executive request, the federal funds were reduced by \$220 million from the executive request. There have been concerns and the reason for this was the concern about the possible loss of federal funds due to the lack of progress by the DOT for the current projects. Thank you, Madam Chair.”

Senator Slom rose to speak in opposition to the measure as follows:

“Thank you. I certainly appreciate and understand the efforts made by the chair and the vice chair and the staff of Ways and Means, and the complexity and the difficulty in any budgetary

process, but particularly now. What strikes me, however, is when we talk about austerity; a \$23.7 billion budget is not austere. The cuts that we have made in this version of the budget to date primarily are cuts to increases in program and direct appropriations. And as the chair correctly pointed out, in addition to this supplemental budget, we also have other bills that expend additional millions of dollars.

“The Council on Revenues downgrading in their estimate should have been a wake up call, when they went from 3.3 percent to 0. But those of us who have been critical of the council over the years and looked at their track record know that they’ve had problems in the past, generally being overly optimistic. The zero percent is just exactly that: zero percent, no growth. That should have been the clarion call us that we had to get more serious, we had to cut more severely than before. A single mom doesn’t have the opportunity to spend more than she takes in. A family doesn’t have the opportunity to spend more than they take in. A small business doesn’t have the opportunity to do that – only government. And why?

“The chairman mentioned about the different groups and special interests that come before us seeking appropriations, increases, or seeking grants, and that’s certainly true. And everyone that came before the Ways and Means Committee, as they do every year, thanked the chairman, thanked the committee, thanked the Legislature for the appropriations that they were promised. But as I’ve mentioned before, nobody thanks the taxpayers, and the not-too-secret secret is that we don’t have any money in this building. The only money that we have is money that we take from others, and those people are struggling in this economy, and that’s what was reflected in the downward estimate for the current fiscal year.

“However, we have to look to the future: that’s what the Legislature must do. And we have to look to sustainability. And I, for one, again challenge the 5 percent estimate that the Council on Revenues has made for the future. I don’t think it’s accurate. I don’t think it’s honest. I don’t think it’s going to occur. And we’re going to see the Council on Revenues probably downgrade that estimate in the future.

“Our economy has not diversified. The visitor industry, which has carried us singlehandedly for nearly two-and-a-half years now, has shown signs of slowing down. Construction has picked up only because of government and government-subsidized projects. There still is a lot of debate; we’ve had debate on bills here, particularly in Kaka‘ako, where most of the construction would be centered. But as a whole, the construction industry is not healthy. Neither is wholesale. Manufacturing is practically nonexistent. Retailing is flat. So where is the impetus coming from to give us the ability to spend \$23.7 billion?

“The other part of the message is, and those of us who were here a week ago Sunday saw, that we had two years because of the cuts – the cuts to the increases – in balance, but four years were in deficit position. That later was amended so that one more of those years had a modest surplus, but we are still dealing with what everybody understands and admits to: at least three years of fiscal deficit. We still have our \$20 billion-plus unfunded liability. We still have many problems, fiscally. I know it’s hard to say ‘no’ to different groups and different people and different programs, but that’s our job. And we can’t say that we have a prudent budget when we know that there are deficits looming and we have, at best, uncertainties for our economic climate.

“Nothing we’ve done thus far in this session will lower the costs and burdens of our citizens, raise their standard of living, or improve the business climate; and those are the things we have to look toward. The minority will again provide a detailed alternative budget with hard choices and with the ability to have

to say 'no' to certain programs or certain agencies. But after all, those are the tough decisions, and that's what we get paid to do, and that's what we must do. And so, while I recognize all the work and I recognize the honest effort to do things, we can't – as the chair said – we can't do things for all people. That's been the problem of the growth of state government. We've taken on more and more responsibilities, primarily when times were economically good, but they have lasting impact and lasting effect, and that's what we have to deal with.

“So, I know we're going into conference committee, but I'm certain that we need to do a better job for the people of this state, who depend upon us and look to us – not just the agencies who receive the largesse of their money or the GAOs or the nonprofits. We have to do a job and we have to take a tough position, one which requires a decision based on true austerity at a time when we need to be austere, and true prudence. So, as much as I would like to share in the support of this budget, at this time I cannot, Madam President. Thank you.”

The motion was put by the Chair and carried, H.B. No. 1700, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO THE STATE BUDGET,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Slom). Excused, 1 (Shimabukuro).

Stand. Com. Rep. No. 3141 (H.B. No. 1638, H.D. 2, S.D. 2):

Senator Ige moved that Stand. Com. Rep. No. 3141 be adopted and H.B. No. 1638, H.D. 2, S.D. 2, having been read throughout, pass Third Reading, seconded by Senator Kidani.

Senator Ige rose to speak in support of the measure as follows:

“Yes, members, this is the judiciary supplemental budget for fiscal year 2015. For fiscal year 2015, the Senate draft appropriates an additional \$1 million in general funds for the judiciary. This amount covers an increase in electrical costs throughout the system; it also provides the following additional general fund appropriations. It does cover the cost of the judges' salary increases as recommended by the Commission on Salaries. It does provide \$281,000 to upgrade the recording equipment throughout the court system, and \$147,000 for special duty officers for the Third Circuit to provide increased security to those facilities. And finally, it does provide \$94,900 to replace the Children's Justice Center interviewing and recording equipment to minimize the impact on children who are affected and provided service in those areas. With those appropriations, I encourage all of our colleagues to support this measure. Thank you.”

Senator Kidani rose to speak in support of the measure as follows:

“This measure restores the \$90 million requested by the judiciary for their new Kona courthouse and some additional funds for repair and maintenance of others, for a total of about \$100 million. Thank you.”

The motion was put by the Chair and carried, Stand. Com. Rep. No. 3141 was adopted and H.B. No. 1638, H.D. 2, S.D. 2, entitled: “A BILL FOR AN ACT RELATING TO THE JUDICIARY,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Shimabukuro).

H.B. No. 1616, H.D. 1, S.D. 1:

On motion by Senator Hee, seconded by Senator Green and carried, H.B. No. 1616, H.D. 1, S.D. 1, entitled: “A BILL FOR AN ACT RELATING TO HEALTH PLANNING,” having

been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Shimabukuro).

H.B. No. 2387:

On motion by Senator Solomon, seconded by Senator Galuteria and carried, H.B. No. 2387, entitled: “A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Shimabukuro).

Stand. Com. Rep. No. 3145 (H.B. No. 1664, H.D. 1):

On motion by Senator Baker, seconded by Senator Taniguchi and carried, Stand. Com. Rep. No. 3145 was adopted and H.B. No. 1664, H.D. 1, entitled: “A BILL FOR AN ACT RELATING TO FIRE PROTECTION FOR FIREWORKS,” having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Shimabukuro).

Senator Hee rose to invite the members to a luncheon in Conference Room 224 hosted by the Ka Pa'alana Homeless Family Education Program honorees.

ADJOURNMENT

At 12:20 p.m., on motion by Senator Espero, seconded by Senator Slom and carried, the Senate adjourned until 11:30 a.m., Tuesday, April 1, 2014.